

AAA FISHING 1 NAVAJO-E
NW NE 9-41N-28E APACHE CO. 511

P-W

COUNTY Apache AREA 2 mi NE/ Red Mesa LEASE NO. 14-20-0603-597

WELL NAME AAA Fishing Tool ^{1 NW-E} ARI-MEX Oil & Exploration *

LOCATION NW/NE SEC 9 TWP 41N RANGE 28E FOOTAGE 700 FNL - 1950' FEL

ELEV 5400' GR KB SPUD DATE 10-10-69 STATUS OP 9/74 TOTAL DEPTH 5000'
COMP. DATE 11-10-69 PBTD 4907'

CONTRACTOR

CASING SIZE	DEPTH	CEMENT	LINER SIZE & DEPTH	DRILLED BY ROTARY	DRILLED BY CABLE TOOL	PRODUCTIVE RESERVOIR	INITIAL PRODUCTION
<u>10 3/4"</u>	<u>300'</u>	<u>150 sx</u>		<u>X</u>			<u>175 oil, TSTM gas</u>
<u>5 1/2"</u>	<u>5000'</u>	<u>200 sx</u>					<u>300 water</u>

FORMATION TOPS	DEPTHS	SOURCE		REMARKS
		L.L.	E.L.	
Formation	Top		X	
Entrada	Surface			
Carmel	10'			
Navajo	105'			
Kayenta	275'			
Wingate	285'			
Chinle	966'			
Shinarump	2014'			
De Chelly	2068'			
Organ Rock	2396'			
Lower Cutler	3135'			
Hermosa	3979'			
Ismay	4550'			
ELI Desert Creek	4721'	PERFORATED INTERVALS		PROD. INTERVALS
Akah	4940'			
Total Depth	5000'			

SAMPLE LOG
SAMPLE DESCRP.
SAMPLE NO. <u>1623</u>
CORE ANALYSIS
DSTs

REMARKS * Transfer of interest from AAA to Ari-Mex, see letters 6-9-72 and 9-19-72.

APP. TO PLUG X
PLUGGING REP. X
COMP. REPORT 11-26-69

WATER WELL ACCEPTED BY

BOND CO. Travelers Indemnity Co. BOND NO. 1673700
BOND AMT. \$ 25,000 CANCELLED 2-14-78 DATE 8-18-69
FILING RECEIPT 9593 LOC. PLAT X WELL BOOK X PLAT BOOK X
API NO. 02-001-20111 DATE ISSUED 8-26-69 DEDICATION W/2 NE/4

PERMIT NUMBER 511

(over)

2 Ariz. 1 AAA 1 File

WELL COMPLETION OR RECOMPLETION REPORT AND WELL LOG																	
DESIGNATE TYPE OF COMPLETION:																	
New Well	<input checked="" type="checkbox"/>	Work-Over	<input type="checkbox"/>	Deepen	<input type="checkbox"/>	Plug Back	<input type="checkbox"/>	Same Reservoir	<input type="checkbox"/>	Different Reservoir	<input type="checkbox"/>	Oil	<input checked="" type="checkbox"/>	Gas	<input type="checkbox"/>	Dry	<input type="checkbox"/>
DESCRIPTION OF WELL AND LEASE																	
Operator					Address												
AAA Fishing Tool Co., Inc.					Box 234, Farmington, N. M. 87401												
Federal, State or Indian Lease Number or name of lessor if fee lease					Well Number		Field & Reservoir										
Navajo E					1		East Boundary Butte										
Location					County												
700' fnl 1950' fel					Apache												
Sec. TWP-Range or Block & Survey																	
Sec. 9, T41N, R28E																	
Date spudded		Date total depth reached		Date completed, ready to produce		Elevation (DF, RKB, RT or Gr.)		Elevation of casing hd. flange									
10/10/69		10/23/69		11/10/69		5400' Gr. feet											
Total depth		P.B.T.D.		Single, dual or triple completion?		If this is a dual or triple completion, furnish separate report for each completion.											
5000'		4907'		Single													
Producing interval (s) for this completion					Rotary tools used (Interval)		Cable tools used (Interval)										
4732' - 4798'					0-5000'		None										
Was this well directionally drilled?		Was directional survey made?		Was copy of directional survey filed?		Date filed											
No		Yes		No													
Type of electrical or other logs run (check logs filed with the commission)										Date filed							
Schlumberger Dual Induction, Lateralog & Density										11/21/69							
CASING RECORD																	
Casing (report all strings set in well—conductor, surface, intermediate, producing, etc.)																	
Purpose	Size hole drilled	Size casing set	Weight (lb./ft.)	Depth set	Sacks cement	Amt. pulled											
Surface	15"	10 3/4"	32.75#	300'	150 sx.	---											
Production	8 3/4"	5 1/2"	14 & 15.5#	5000'	2000 200 Sx.	---											
TUBING RECORD				LINER RECORD													
Size	Depth set	Packer set at	Size	Top	Bottom	Sacks cement	Screen (ft.)										
2 7/8"	4890 ft.	---	None in.	ft.	ft.												
PERFORATION RECORD				ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD													
Number per ft.	Size & type	Depth Interval		Am't. & kind of material used		Depth Interval											
2	1/2 jet	4732'-36', 4744'-48'		1500 gal. 15% HCl		4940' - 44'											
		4763'-67', 4782'-98'		1000 gal. 15% HCl		4732' - 67'											
		4940'-47'		INITIAL PRODUCTION													
Date of first production		Producing method (Indicate if flowing, gas lift or pumping—If pumping, show size & type of pump.)															
11/17/69		Pump															
Date of test	Hrs. tested	Choke size	Oil prod. during test	Gas prod. during test	Water prod. during test	Oil gravity											
11/20/69	24	---	175 bbls.	TSTM MCF	300 bbls.	40 API (Corr)											
Tubing pressure	Casing pressure	Cal'd rate of Production per 24 hrs.	Oil	Gas	Water	Gas-oil ratio											
---	50		175 bbls.	TSTM MCF	300 bbls.	400											
Disposition of gas (state whether vented, used for fuel or sold):																	
Vented																	
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the.....Engineer.....of the																	
AAA Fishing Tool Co., Inc.(company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.																	
11/26/69																	
Date																	
Signature																	
STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Well Completion or Recompletion Report and Well Log Form No. 4																	
Permit No. 511																	

(Complete Reverse Side)

DETAIL OF FORMATIONS PENETRATED

Formation	Top	Bottom	Description*
Entrada	Surface		
Carmel	10'		
Navajo	105'		
Kayenta	275'		
Wingate	285'		
Chinle	966'		
Shinarump	2014'		
De Chelly	2068'		
Organ Rock	2396'		
Lower Cutler	3135'		
Hermosa	3979'		
Ismay	4550'		
Desert Creek	4721'		
Akah	4940'		
Total Depth	5000'		

* Show all important zones of porosity, detail of all cores, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.

INSTRUCTIONS:

Attach drillers log or other acceptable log of well.

This Well Completion or Recompletion report and well log shall be filed with the State of Arizona Oil & Gas Conservation Commission not later than thirty days after project completion.

Form No. 4

September 10, 1974

Memo from W. E. Allen, Director
Enforcement Section

Memo to files:

Globe Minerals Navajo E-3	Globe Minerals Navajo E-4	Navajo E-1
Sec 9-T41N-R28E	Sec 9-T41N-R28E	Sec 9-T41N-R28E
Apache County	Apache County	Apache County
Permit #483	Permit #509	Permit #511

Bill Baggett, attorney at law and partner for Ari-Mex Oil & Exploration, called for verbal permission to plug their wells in the East Boundary Butte Field. The following plugging program has been approved by Phil McGrath of U.S.G.S.

Navajo E-1 (511)

Cement plug from PBTD to 4700'
3900' - 4000'
250' - 300'
30' surface plug with regulation dry hole marker

Navajo E-3 (483)

Squeeze perforations from 5050' - 4500'
Cement plug from 2000' - 2100'
50' surface plug with regulation dry hole marker

Navajo E-4 (509)

Plug from total depth to 4850'
4200' - 4100'
2250' - 2100'
50' surface plug with regulation dry hole marker.

This well has a radioactive device cemented behind the casing at 2145'.
9 1/2 lbs. mud will be placed between plugs in all wells.

Form 9-331
(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

14-20-0603-597

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Navajo

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Navajo

9. WELL NO.

Navajo E-1 511

10. FIELD AND POOL, OR WILDCAT

East Boundary Butte

11. SEC., T., R., OR BLK. AND SURVEY OR AREA

Sec. 9, T41N, R38E

12. COUNTY OR PARISH 13. STATE

Apache Arizona

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. NAME OF OPERATOR

Ari-Max Oil & Exploration, Inc.

3. ADDRESS OF OPERATOR

150 Petroleum Plaza, Farmington, N. Mex.

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)

At surface

700' FNL, 1950' F2L

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, OR, etc.)

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Plug as follows:

From PBTD to 4700'

From 3900' to 4000'

At free point 50' in stub

50' above stub

Plug 1900' to 2100'

50' plug 250' to 300'

30' surface plug with regular dry hole marker

Drilling and between plugs (9.54)

Restore surface

RECEIVED

SEP 13 1974

O & G CONS. COMM.

18. I hereby certify that the foregoing is true and correct

SIGNED

TITLE President

DATE 9/10/74

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED

*See Instructions on Reverse Side

By

Date

9-13-74

December 11, 1970

Memo from W. E. Allen, Director
Enforcement Section

Memo to: Globe #E-4 Navajo (597)
NE/4 NW/4 Section 9-T41N-R28E
Apache County
Our File #509

Globe (AAA #E-3)
NE/4 NE/4 Section 9-T41N-R28E
Apache County
Our File #483

AAA #E-1 Navajo (597)
NE/4 NE/4 Section 9-T41N-R28E
Apache County
Our File #511

Call From Blackie McClelland this date. He advised me that one of the offending pits that had been seeping salt water had been emptied and that the other offending pit was in the process of being emptied. He also said that he had submitted Form 25 (mailed 12-10-70) requesting permission to inject produced water into the Humble E-2 Navajo. — 444

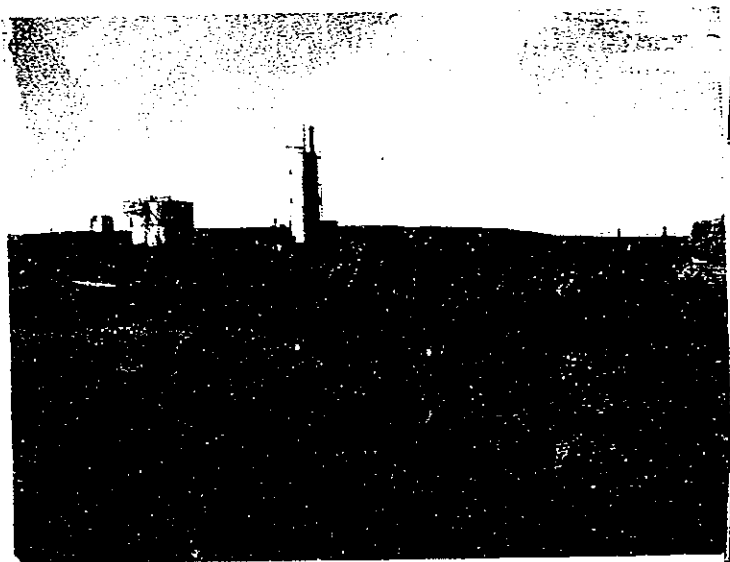
He also requested permission to combine production from the Globe wells into the AAA well. He was told to submit all the information on these leases and we would consider his request.

Blackie further related that he had received the assignment on the Globe leases from the Navajo Tribe; and, that all the details of transferring these leases to AAA had been cleared. AAA is the total interest holder of these leases.

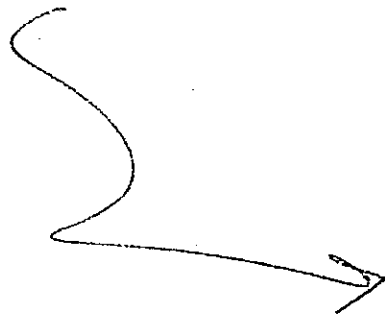
Seeping pit almost full
Second east of AAA.



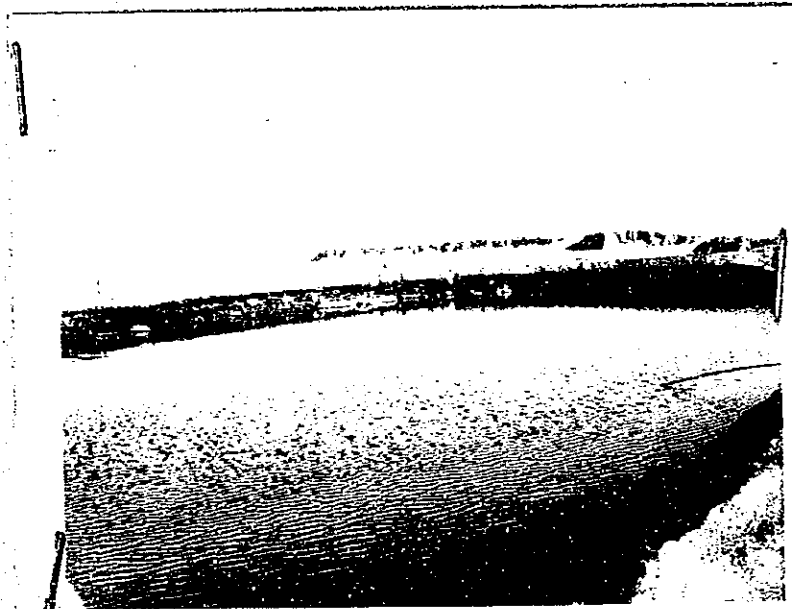
Second battery east of AAA
Pit seeping and almost full.



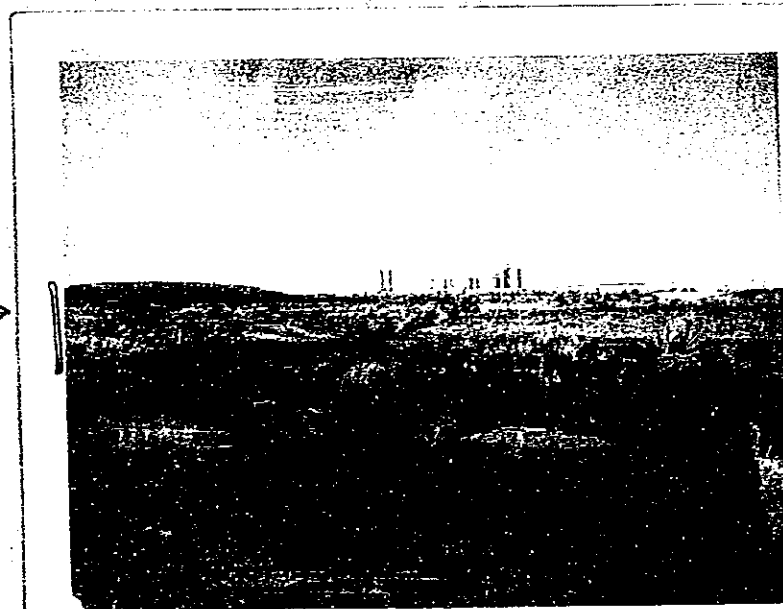
approximately 100 south of south
pit



A 12-70



Due west of injection well



5
12-70

August 10, 1970

Memo from John Bannister

Memo to: AAA Fishing Tool #E-2 Navajo (Humble)
SW/4 NE/4 Sec. 9-T41N-R28E
Apache County
Our File #444 (Injection Well)

Globe Minerals (AAA #E-3)
NE/4 NE/4 Sec. 9-T41N-R28E
Apache County
Our File #483

Globe Minerals #E-4 Navajo
NE/4 NW/4 Sec. 9-T41N-R28E
Apache County
Our File #509

AAA Fishing Tool #E-1 Navajo 597
NW/4 NE/4 Sec. 9-T41N-R28E
Apache County
Our File #511

Globe Minerals #1 Navajo 10022
SE/4 SE/4 Sec. 5-T41N-R28E
Apache County
Our File #508

Blackie McClelland telephoned this date requesting permission to inject water from #483, 509, and 511, into the Humble #E-2, Permit #444. Approximately 400 barrels per day is being injected currently and he anticipates approximately 600 to 700 additional barrels will be involved. The Commission Order of July 10, 1968, permits a maximum of 1,000 barrels per day estimated; however, inasmuch as the Commission's figure is based upon an estimate, this amount would not be objectionable. The maximum amount of water that could be put in this formation is desirable.

Mr. McClelland was instructed to send in a Form 25 on the two wells, #483 and #509, which will be tied in for injection purposes.

In addition, he advised he desires to re-enter the Globe #1 Navajo, #508 and requested that Applications to permit same be ~~sent~~ to him.
sent

Apache

AAA Fishing Tool Co., Inc.

East Boundary Butte - Paradox County-Field and Reservoir

Box 234, Farmington, N. M.

January, 1970

January, 1970

Federal, State or Indian Lease Number, or Lessor's Name if fee lease	Permit No.	Well No.	Date of Test	Sta- tus	Choke Size	Pressures				Separator Temp. °F	Daily Allow- able	Length of Test (Hrs.)	Production During Test				Gas-Oil Ratio Cu. Ft. Per Bbl.
						Tbg.	Csg.		Sepa- rator				Wtr. Bbls.	Grav. Oil	Oil Bbls.	Gas MCF	
							Begin- ning	End									
14-20-0603-597	511	E-1	1-1-70	P	---	40			40	80°	24	300	40°	105	465	4,429	

State of Arizona Oil & Gas Conservation Commission

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the of the
Agent
AAA Fishing Tool Co., Inc. (company), and that I am authorized by said company to make this report; and to
this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to
the best of my knowledge.

Agent

.....
this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

January 16, 1970...

~~.....~~

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Well Status Report and Gas-Oil Ratio Tests
File One Copy

Form No. 5

INSTRUCTIONS

Show all data requested for each well separately, and determine the gas-oil ratio according to the following procedure:

(1) General:

- (a) Each well shall have produced its current daily allowable, if such well is capable of producing such allowable, during the 24 hour period immediately preceding the test, and the well shall be producing at the time the actual test begins.
- (b) The volume of gas used in computing the gas-oil ratio and reported as being produced during the test (except tests on gas lift or jetting wells) shall be the total volume of gas produced from the well in the test period. This total volume of gas shall include all gas withdrawn from the casing as well as that produced through the tubing.
- (c) The amount of oil produced during the test shall not be less than the well's then current daily allowable (if the well is capable of producing its allowable) and shall not exceed the daily allowable by more than ten (10) per cent, except that in the case of a well having an allowable already penalized due to its gas oil ratio, the operator may select any rate he desires between the penalized allowable and ten (10) per cent above the unpenalized allowable.

(2) Flowing Wells That are Produced Continuously:

The oil flow shall be stabilized during the 24-hour period immediately preceding the test. Adjustments in the rate of flow should be made during the first 12 hours of the stabilization period and no adjustments shall be made during the last 12 hours or during the time in which the well is being tested.

(3) Flowing Wells That are Produced Intermittently (Stop-cocked):

In computing the operating gas-oil ratio, the total volume of gas and the total barrels of oil produced during the 24 hour test period must be used regardless of the flowing time in the 24 hour period. On wells which are stop-cocked, both the closed-in casing pressure at the beginning of the test period and the closed-in casing pressure at the conclusion of the test must be shown and properly identified on the report. The closed-in casing pressure at the end of the 24 hour test period shall not exceed the closed-in casing pressure at the beginning of the test period by more than six-tenths (0.6) pounds per square inch per barrel of oil produced during the test.

(4) Gas Lift or Jetting Wells:

In submitting gas-oil ratio tests for gas lift or jetting wells, the total input and total output gas volumes shall be reported separately. These volumes shall be properly identified and determined by continuous measurement during the test. The volume of gas used in determining the operating gas-oil ratio hereunder shall be the volume remaining after the total input gas has been deducted from the total output volume.

(5) Pumping Wells:

In computing the operating gas-oil ratio, the total volume of gas and the total barrels of oil produced during the test period must be used regardless of the pumping time in the test period.

(6) Definitions:

Under Status, use the following symbols: F—Flowing, P—Pumping, GL—Gas Lift, SI—Shut in, D—Dead, TA—Temporarily Abandoned, GI—Gas Injection, WI—Water Injection.

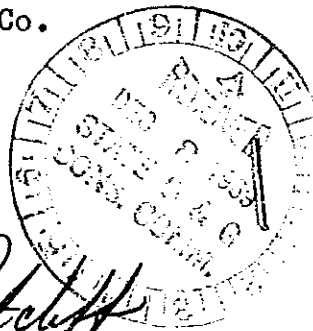
Under Pressure, show the stabilized working pressures on the tubing, and casing, at the rate at which the well is tested. The Gas Production listed shall be the total volume of gas produced during the test in thousands of cubic feet (MCF) measured at a base pressure of 15.025 pounds per square inch, absolute, and a standard base and flowing temperature of 60° Fahrenheit; correction to be made for pressure according to Boyles Law, and for specific gravity according to test made by the Balance Method. All well status and gas-oil ratio tests submitted to the Commission on this form shall be made by a person qualified by training or experience to make such tests. Methods of gas measurement used shall be those prescribed by the State of Arizona Oil & Gas Conservation Commission.

December 5, 1969

Samples from the AAA Fishing Tool Co.
#E-1 Navajo
Sec. 9-21N-28E
Apache Co. Ariz.
Permit # 511

have been delivered to the cut.

Jo Ratcliff
FOUR CORNERS SAMPLE CUT ASSOCIATION
P. O. BOX 899
FARMINGTON, NEW MEXICO



2 Ariz. 1 AAA 1 File

OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL OR GAS FROM LEASE		
Federal, State or Indian Lease Number, or lessor's name if fee lease Navajo 14-20-0603-597	Field East Boundary Butte	Reservoir Desert Creek
Survey or Sec-Twp-Rge Sec. 9, T41N, R28E	County Apache	State Arizona
Operator AAA Fishing Tool Co., Inc.		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street Box 234	City Farmington, N.	State N. M. 87401
Above named operator authorizes (name of transporter) The Permian Corp.		
Transporter's street address Box 3119	City Midland,	State Texas 79704
Field address		
Oil, condensate, gas well gas, casinghead gas		
To transport	100 % of the oil	from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported
None		
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change.		
New Lease		

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Engineer of the AAA Fishing Tool Co., Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Date 11/26/69

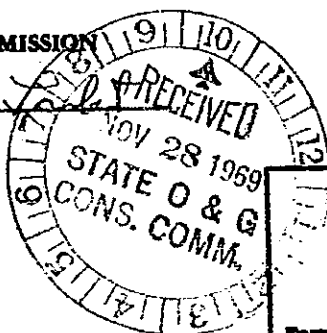
Signature J. A. Rugan

Date approved: 11/28/69

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

By: John Barnett

Permit No. 511



STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Operator's Certificate of Compliance & Authorization to
Transport Oil or Gas from Lease

File Two Copies

Form No. 8

1 Ariz. 1 AAA 1 File

POTENTIAL TEST AND REQUEST FOR ALLOWABLE — OIL WELLS				
DESIGNATE TYPE OF COMPLETION:				
New Well <input checked="" type="checkbox"/>	Work-over <input type="checkbox"/>	Deepen <input type="checkbox"/>	Plug Back <input type="checkbox"/>	Same Reservoir <input type="checkbox"/> Different Reservoir <input type="checkbox"/>
Other Reason For Filing:				
Operator AAA Fishing Tool Co., Inc.				
Address Box 234, Farmington, N. M. 87401				
DESCRIPTION OF WELL AND LEASE				
Federal, State or Indian Lease Number, or Lessor's Name if Fee Lease Navajo		Well Name Navajo E #1		County Apache
Footage Location 700' fnl 1950' fel				
Sec. Twp. Rge. Sec. 9, T41N, R28E				
Date spudded 10/10/69	Date completed, ready to produce 11/10/69	Total depth 5000'	P.B.T.D. 4907'	
Field and reservoir East Boundary Butte		Top of pay 4732'	Producing interval 4732' - 4798'	
TEST DATA				
Date of first production 11/17/69	Date of test 11/20/69	Length of test 24 hrs.	Producing method (flow pump, gas lift) Pump	Amount of lead oil injected if any. ----
Number of barrels of oil produced from completion or recompletion date to test date 250		If well is produced by pumping, give pump size, length of stroke and strokes per minute 2 1/4" 120" 10SPM		
Tubing pressure ---	Casing pressure 50	Choke size ---		
*Actual production during test: 175	Oil (bbls) 175	Water (bbls) 300	Gas (MCF) TSTM	
*Production must actually equal or exceed wells daily allowable or test must be for full 24 hours				
Gas-oil ratio TSTM	MCF/bbl. 40	Oil gravity 40	Name of transporter of oil The Permian Corp.	
Number of acres attributed to this well 80	Number of producing wells in this reservoir on this lease, including this well 3	Single, dual or triple completion? Single	Daily allowable requested (bbls)	
Plat showing acreage attached—plat should show leases, offset wells, distance from this well to the nearest well on the same lease completed in or drilling to the same reservoir, and the boundaries of drilling and producing, or proration, units attributed to this well and other wells on the same lease completed in or drilling to the same reservoir, the number of acres in each unit and the number of acres in the lease.				
<p align="right">Engineer</p> <p>CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the _____ of the AAA Fishing Tool Co., Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.</p> <p>11/26/69 Date</p>				
<p>Witnessed by: _____ Organization _____</p> <p>Signature _____</p> <p>Date _____</p>		<p align="center">STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION</p> <p align="center">Potential Test & Request for Allowable—Oil Wells</p> <p align="center">File One Copy</p>		
Permit No. 511		Form No. 6		

Form 9-330
(Rev. 5-63)

3 USGS 2 Ariz. 1 AAA 1 Nav. 1 File

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE*
(See other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other ☐

b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. CENVR. ☐ Other ☐

2. NAME OF OPERATOR
AAA Fishing Tool Co., Inc.

3. ADDRESS OF OPERATOR
Box 234, Farmington, N. M. 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface

At top prod. interval reported below 700' fm 1950' fm

At total depth

14. PERMIT NO. DATE ISSUED

15. DATE SPUNDED 10/10/69 16. DATE T.D. REACHED 10/23/69 17. DATE COMPL. (Ready to prod.) 11/10/69 18. ELEVATIONS (DV, RKB, RT, GS, ETC.)* 5400' Gr.

20. TOTAL DEPTH, MD & TVD 5000' 21. PLUG, BACK T.D., MD & TVD 4907' 22. IF MULTIPLE COMPL., HOW MANY* Single

23. INTERVALS DRILLED BY 0-5000'

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

Desert Creek 4721'

26. TYPE ELECTRIC AND OTHER LOGS RUN Schlumberger Dual Induction, Lateralog & Density

27. WAS WELL CORED No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	MOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
10 3/4"	32.75#	300'	15"	150 SX.	
5 1/2"	15.5# & 14	5000'	8 3/4"	200 SX.	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
		None			2 7/8"	4880'	

30. TUBING RECORD

31. PERFORATION RECORD (Interval, size and number)	32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.
4732' - 36', 4744' - 48', 4763' - 67', 4782' - 98', AN 4940' - 44'	DEPTH INTERVAL (MD) AMOUNT AND KIND OF MATERIAL USED 4940'-4944' 1500 gal. 15% HCl 4732' - 4767' 1000 gal. 15% HCl

33. PRODUCTION

33.*

PRODUCTION							
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
11/17/69		Pump				Producing	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
11/20/69	24	---	→	175	TSTM	300	---
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
0 ---	50	→	175	---	300	40°	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Vented

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

SIGNED Original signed by T. A. Dugan TITLE Engineer DATE 11/26/69

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 35, below regarding separate reports for separate completions.

If notified prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 13: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22 and in item 24 show the producing interval, or intervals, top(s), bottom(s), and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Seals Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instructions for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES. SHOW ALL PRODUCING ZONES OF POROSITY AND CONTENTS THEREOF. CORED INTERVALS, AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TO OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES			38. GEOLOGIC MARKERS			
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAN DEPTH	TRUE VERT. DEPTH
				LOG TOPS		
				Entrada	Surface	
				Carnal	10'	
				Havajo	105'	
				Kayenta	275'	
				Wingate	285'	
				Chinle	945'	
				Shinarump	2014'	
				De Chelly	2066'	
				Organ Rock	2296'	
				Lower Cutler	3135'	
				Narmesa	3979'	
				Isaly	4550'	
				Desert Creek	4721'	
				Atah	4940'	
				Total Depth	5000'	

4 USGS 2 Ariz. 1 Nav. 1 AAA 1 File

Form 9-331
(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.
14-20-0603-597

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Navajo

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Navajo E

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
East Boundary Butte

11. SEC., T., R., M., OR R.R. AND SURVEY OR AREA
Sec. 9, T41N, R29E

12. COUNTY OR PARISH
Apache

13. STATE
N. M.

1. OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. NAME OF OPERATOR
AAA Fishing Tool Co., Inc.

3. ADDRESS OF OPERATOR
Box 234, Farmington, N. M. 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.)
At surface
700' fal 1950' fal

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)
5400' Gr.

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐ PULL OR ALTER CASING ☐ WATER SHUT-OFF ☐ REPAIRING WELL ☐

FRACTURE TREAT ☐ MULTIPLE COMPLETE ☐ FRACTURE TREATMENT ☒ ALTERING CASING ☐

SHOOT OR ACIDIZE ☐ ABANDON* ☐ SHOOTING OR ACIDIZING ☒ ABANDONMENT* ☐

REPAIR WELL ☐ CHANGE PLANS ☐ (Other) ☐

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Ran Gamma Ray Correlation log. Schlumberger perf. 2 jet/ft. 4782' - 4798', 4940' - 4944'.
Acidized 4940' - 4944' with 1500 gal. 15% HCl. Breakdown 900 psi; ave. treating press. 1200 psi; ave. I.R. 6 B/M - went on vac. immediately. Swab zone, making 40 bbls. salt water per hr., no oil.
Set cast iron bridge plug at 4907'. Swab test zone 4782' - 4798' natural. Making 20 bbls. oil and 10 bbls. water per hr.

Set RME retrievable bridge plug at 4775'. Perf. 2 jets/ft. 4732' - 36', 4744' - 48', 4763' - 67'.

Acidized 4732' to 4767' with 1000 gal. 15% HCl, 20 balls, Ave. treating press. 1200 psi; ave. I.R. 6 B/M - good ball action.

Made one swab run, well kicked off flowing 30 bbls. oil per hr. Well died after 20 hrs. Pulled retrievable bridge plug from 4775'.

Ran 2 7/8" O.D., 6.5#, J-55, SR RME EUE tbg. set at 4890' R.K.B. Ran rods, put well on pump.

18. I hereby certify that the foregoing is true and correct
Original signed by **I. A. Dugan**

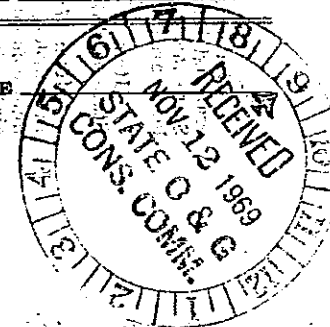
SIGNED _____ TITLE **Engineer** DATE **11/10/69**

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side



Form 9-331
(May 1963)

4 USGS 2 Ariz. 1 Nav. 1 File 1 AAA

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN 1 (Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.
14-20-0603-597

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Navajo

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Navajo E

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT
East Boundary Butte

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 9, T41N, R28E

12. COUNTY OR PARISH
Apache

13. STATE
Ariz.

SUNDRY NOTICES AND REPORTS ON WELLS
(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. NAME OF OPERATOR

AAA Fishing Tool Co., Inc.

3. ADDRESS OF OPERATOR

Box 284, Farmington, N. M.

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface

700' fnl 1950' fel

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, OR, etc.)

5400' Gr.

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐

FRACTURE TREAT ☐

SHOOT OR ACIDIZE ☐

REPAIR WELL ☐

(Other) ☐

PULL OR ALTER CASING ☐

MULTIPLE COMPLETE ☐

ABANDON* ☐

CHANGE PLANS ☐

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☒

FRACTURE TREATMENT ☐

SHOOTING OR ACIDIZING ☐

(Other) ☐

REPAIRING WELL ☐

ALTERING CASING ☐

ABANDONMENT* ☐

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

1. Spud 10/10/69.
2. Drilled 15" hole to 305'.
3. Ran 9 jts. 10 3/4" O.D., 32.75# H-40 ST&C csg. set at 301' - cemented w/150 sx.
4. Test 10 3/4" csg. w/600 psi. for 1/2 hr. - test O.K.
5. Drilled 8 3/4" hole to 5000'.
6. No test or cores.
7. Ran Schlumberger Dual Induction Laterolog & Formation Density log.
8. Ran 5 1/2" O.D., 14 & 15.5# J-55, 8R ST&C csg. set at 5000' - cemented w/200 sx. Class "C".

18. I hereby certify that the foregoing is true and correct

SIGNED Original signed by T. A. Dugan TITLE

Engineer

DATE **10/29/69**

(This space for Federal or State office use)

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

DATE

*See Instructions on Reverse Side

X-Chrono

October 22, 1969

Memo to AAA Fishing #E-1 Navajo (597)
T41N, R28E, G & SRM
Sec. 9: NW/4 NE/4
Apache County
Permit #511

Memo from J. Scurlock

Telephone call from Mr. "Blackie" McClelland this date. They are drilling at 4920'. Will probably reach total depth tonight. Will TD at 4960'. Plan to set 5-1/2" casing at 4959'.

"Blackie" would like to set casing with a few sacks of cement with the understanding that before the well is abandoned, he will have to perforate the Coconino section and squeeze with cement in order to protect this aquifer. Gave him verbal permission to proceed on this basis. He said that the well looked very favorable.

511

October 3, 1969

Memo to: File 511

From: James A. Lambert

Talked to Blackie McClelland this date. He stated captioned well will be spudded next week some time. The rig that will be used on this well is completing the Little well at this time. He gave permission to that driller to drill the Little well first because Little had a time commitment on his lease and had to spud prior to October 1st.

74

14

Form 9-331 C
(May 1963)

3 USES 1 May. 1 Ariz. 1 AAA 1 File

SUBMIT IN ☒ LIGATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER ☐

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

AAA Fishing Tool Co., Inc.

3. ADDRESS OF OPERATOR

Box 234, Farmington, N. M. 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

At proposed prod. zone 700' fm 1950' fm

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

2 miles northeast Red Mesa, Arizona

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drg. unit line, if any)

700'

16. NO. OF ACRES IN LEASE

640

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1100'

19. PROPOSED DEPTH

5700'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5400' Gr.

22. APPROX. DATE WORK WILL START*

8/25/69

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	10 3/4"	32.75#	300'	250 sk.
8 3/4"	7"	20#	5700'	400 sk.

Propose to drill to sufficient depth to test Desert Creek and Akah zones of the
Paradox formation.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Original signed By T. A. Dugan

TITLE Agent

DATE 8/25/69

SIGNED

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

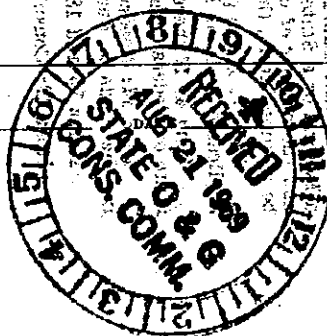
APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

511

*See Instructions On Reverse Side



2 AOCC 1 AAA 1 File

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL ☒

RE-ENTER OLD WELL ☐

8 AAA Fishing Tool Co., Inc.

NAME OF COMPANY OR OPERATOR

Box 234, Farmington, N. M. 87401

Address

City

State

Drilling Contractor

Address

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor

Navajo Lease #14-20-0603-597

Well number

E-1

Elevation (ground)

5400'

Nearest distance from proposed location to property or lease line:

700 feet

Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:

1950

feet

Number of acres in lease:

80

Number of wells on lease, including this well, completed in or drilling to this reservoir:

1

If lease purchased with one or more wells drilled, from whom purchased:

Name

Address

Well location (give footage from section line)

700' fnl 1950' fel

Section—township—range or block and survey

9 41N 28E

Dedication (Comply with Rule 105)

80 Acres

Field and reservoir (if wildcat, so state)

East Boundary Butte

County

Apache

Distance, in miles, and direction from nearest town or post office

Two miles northeast Red Mesa, Arizona

Proposed depth:

5700'

Rotary or cable tools

Rotary

Approx. date work will start

8/15/69

Bond Status

Current

Organization Report

Filing Fee of \$25.00

Amount

\$5000

On file

X

Or attached

Attached

Remarks:

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Agent of the

AAA Fishing Tool Co., Inc.

(company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Signature

8/20/69

Permit Number:

511

Approval Date:

8-26-69

Approved By:

John L. Rannister

Notice: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

STATE OF ARIZONA

OIL & GAS CONSERVATION COMMISSION

Application to Drill or Re-enter

File Two Copies

1. Operator shall outline the dedicated acreage for both oil and gas wells on the plat.
2. A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
3. All distances shown on the plat must be from the outer boundaries of the Section.
4. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ☐
5. If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ☐ NO ☐ If answer is "yes," Type of Consolidation _____
6. If the answer to question four is "no," list all the owners and their respective interests below:

Owner	Land Description

<div style="border: 1px solid black; padding: 10px; margin: 10px;"> <p style="text-align: center;">Section 9</p> </div>	<p style="text-align: center;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p>Name Thomas A. Dugan</p> <p>Position Engineer</p> <p>Company AAA Fishing Tool Co., Inc.</p> <p>Date 8/20/69</p> <p>I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> <p>Date Surveyed 8/15/69</p> <p>Registered Professional Engineer and/or Land Surveyor E. V. Echohawk</p> <p>Certificate No. 2311</p>
---	--

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement
10 3/4"	36#	J-55	Surface	300'	Surface to 300'	250 sx.
7"	20#	J-55		5200'	3200' to 5200'	400 sx.

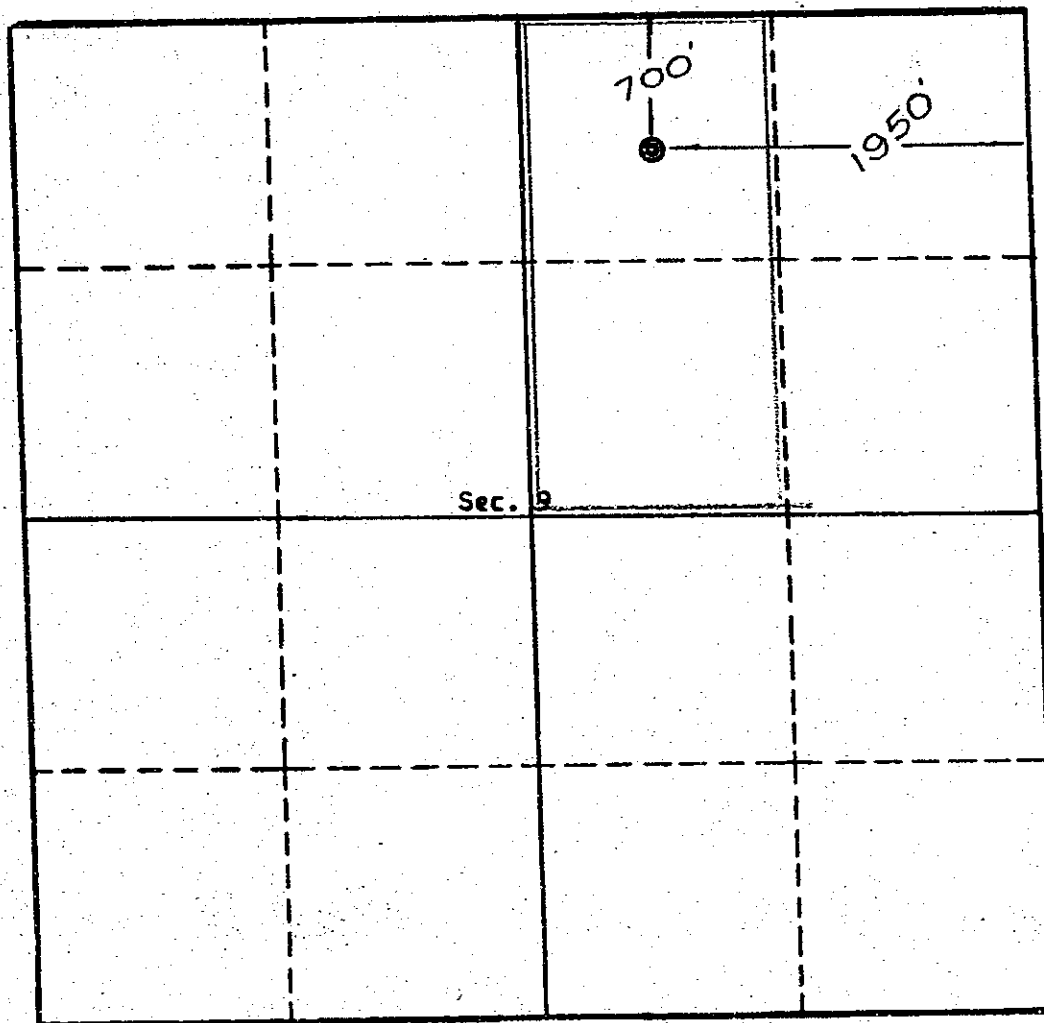
Company AAA FISHING TOOL, INC.

Well Name & No. Navajo E #1

Location 700 feet from the North line and 1950 feet from the East line.

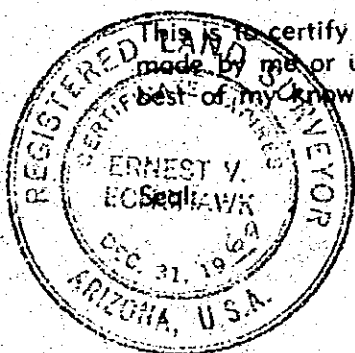
Sec. 9, T. 41 N., R. 28 E., G. & S. R. M., County Apache, Arizona

Ground Elevation 5400



Scale, 1 inch = 1,000 feet

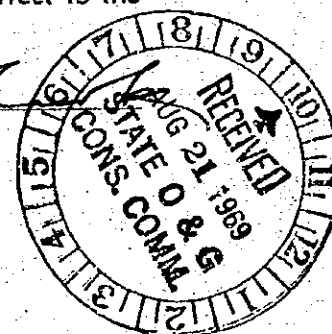
Surveyed August 15, 19 69



This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

E. V. Echohawk
Ernest V. Echohawk
Registered Land Surveyor
Arizona Registration No. 2311

511





PERMIT TO DRILL

This constitutes the permission and authority from the
OIL AND GAS CONSERVATION COMMISSION,
STATE OF ARIZONA,

To: AAA FISHING TOOL, INCORPORATED
(OPERATOR)

to drill a well to be known as

AAA FISHING TOOL #E-1 NAVAJO (597)
(WELL NAME)

located 700' FNL - 1950' FNL

Section 9 Township 41N Range 28E, APACHE County, Arizona.

The W/2 NE/4 of said
Section, Township and Range is dedicated to this well.

Said well is to be drilled substantially as outlined in the attached Application and must be drilled
in full compliance with all applicable laws, statutes, rules and regulations of the State of Arizona.

Issued this 26th day of AUGUST, 1969.

OIL AND GAS CONSERVATION COMMISSION
By John Bannister
EXECUTIVE SECRETARY

PERMIT N^o 511

RECEIPT NO. 9593
API NO. 02-001-20111

FORM NO. 27

State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

SAMPLES ARE REQUIRED



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
1645 WEST JEFFERSON, SUITE 420
PHOENIX, ARIZONA 85007
PHONE: (602) 255-5161

January 24, 1979

Kysar Insurance Agency, Inc.
300 W. Arrington
Farmington, New Mexico 87401

Attention: Alice Candelaria

Re: Ari-Mex Oil & Exploration, Inc.
Travelers Indemnity Co. Bond #1673700

Gentlemen:

This office has no record of a bond issued to Ari-Mex Oil and Exploration, Inc., No. 2385104.

When Ari-Mex purchased the wells formerly operated by AAA Fishing Tool Company, Mr. Kysar had Travelers Indemnity Company transfer Bond No. 1673700 from AAA Fishing Tool Company to Ari-Mex Oil and Exploration, Inc. A copy of this change is attached. Also attached is a copy of our letter to Travelers Indemnity Company dated April 14, 1978, releasing Travelers Indemnity Company from their obligations under Bond No. 1673700 (Computer No. 108B1202).

We hope this information will be satisfactory.

Very truly yours,

A handwritten signature in cursive script, appearing to read "W. E. Allen".

W. E. Allen
Director
Enforcement Section

WEA/vb

Enc.

February 14, 1978

The Travelers
Cherry Creek Center
101 University Boulevard
Denver, Colorado 80206

Attention Lari Short

Re: Ari-Mex Oil & Exploration, Inc.
Bond #1673700 (Computer #108B1202)

Gentlemen:

Since Ari-Mex Oil and Exploration, Inc. has complied with all of this Commission's rules and regulations, authority to cancel the above-referred bond is granted as of this date.

Very truly yours,

W. E. Allen
Director
Enforcement Section

WEA/vb

December 9, 1974

Ms. Susan Perry
Travelers Ins. Company
Cherry Creek Center
101 University Boulevard
Denver, Colorado 80206

Re: Ari-Mex Oil and Exploration Inc.
Bond No. 108B1202

Dear Ms. Perry:

Your notification advising this Commission that you were cancelling the above referenced bond effective December 3, 1974, has been received. Please be advised that the liability under this bond may not be terminated without approval of the Commission. Approval to cancel bonds are granted by this Commission only after the operator is in full compliance with the Commission's rules and regulations.

The wells operated by Ari-Mex in the State of Arizona, as of this time, have not been plugged and abandoned. Therefore, the above referenced bond will remain in full force and effect until such time as Ari-Mex is in complete compliance with all the rules and regulations of the Oil and Gas Conservation Commission, State of Arizona.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

511,483,509



THE TRAVELERS

Surety Department
E. A. Houser, III, Manager

December 3, 1974

State of Arizona
Oil & Gas Commission
Phoenix, Arizona
85000

RE: Ari-Max Oil & Exploration, Inc.
Bond No. #108B1202
Gentlemen:

Our company executed a \$25,000.00, Blanket Plugging Bond
(Amount) (Type)
effective 11-19-70 for the above captioned.

In accordance with the terms of the bond, this letter will serve as our Notice of Cancellation and termination from all further liability effective 12-03-74. We would appreciate your sending us a letter verifying the date on which cancellation becomes effective. A self-addressed, postage free envelope is enclosed for your convenience in replying.

Thank you.

Susan Perry (ba)
Very truly yours,

SURETY DIVISION

sp

RECEIVED

DEC 09 1974

O & G COMM. DIV.

See attached rider - name
changed to Ari-mek oil
And AAA released of all responsibility

Operator AAA FISHING TOOL COMPANY, INCORPORATED
Ari-mek oil & Exploration, Inc.

Bond Company THE TRAVELERS INDEMNITY COMPANY Amount \$25,000

Bond No. 1673700 Date Approved 12-15-70

Permits covered by this bond:

509

483

511

558

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS

Bond Serial No. 1673700

That we: A.A.A. Fishing Tool Co., Inc., Box 1281, Farmington, New Mexico

of the County of San Juan in the State of New Mexico

as principal, and The Travelers Indemnity Company

of Hartford, Connecticut

AUTHORIZED TO DO BUSINESS WITHIN the State of Arizona.

as surety, are held and firmly bound unto the State of Arizona and the Oil and Gas Conservation Commission, hereinafter referred to as the "Commission", in the penal sum of Twenty-Five Thousand Dollars (\$25,000.00) lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents.

The conditions of this obligation are that, whereas the above bounden principal proposes to drill a well or wells for oil, gas or stratigraphic purposes in and upon the following described land situated within the State, to-wit:

STATE WIDE

(May be used as blanket bond or for single well)

NOW, THEREFORE, if the above bounden principal shall comply with all the provisions of the Laws of this State and the rules, regulations and orders of the Commission, especially with reference to the requirements of A.R.S. §27-516, providing for the proper drilling, casing and plugging of said well or wells, and filing with the Oil and Gas Conservation Commission all notices and records required by said Commission, then in the event said well or wells do not produce oil or gas in commercial quantities, or cease to produce oil or gas in commercial quantities, this obligation is void; otherwise it shall remain in full force and effect.

Whenever the principal shall be, and declared by the Oil and Gas Conservation Commission in violation of the Laws of this State and the rules, regulations and orders of the Commission, the surety shall promptly:

1. Remedy the violation by its own efforts, or
2. Obtain a bid or bids for submission to the Commission to remedy the violation, and upon determination by the Commission and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Commission, and make available as work progresses sufficient funds to pay the cost of remedying the violation; but not exceeding, including other costs and damages for which the surety may be liable hereunder, the amount set forth in the first paragraph hereof.

Liability under this bond may not be terminated without written permission of this Commission.

WITNESS our hands and seals, this 19th day of November, 1970.

A.A.A. Fishing Tool Co., Inc.

C.E. McClelland

Principal

President

WITNESS our hands and seals this 19th day of November, 1970.

The Travelers Indemnity Company

Raymond L. Kysar, Jr., Attorney-In-Fact

Surety, Resident Arizona Agent
If issued in a state other than Arizona)

O & G CONS. COMM.

(If the principal is a corporation, the bond should be executed by its duly authorized officers, with the seal of the corporation affixed. When principal or surety executes this bond by agent, power of attorney or other evidence of authority must accompany the bond.)

Approved
Date

12-15-70

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

By:

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

Bond

File Two Copies

Form No. 2

Permit No.

The Travelers Indemnity Company
Hartford, Connecticut

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That THE TRAVELERS INDEMNITY COMPANY, a corporation of the State of Connecticut, does hereby make, constitute and appoint

Raymond L. Kysar, Jr. of Farmington, New Mexico

its true and lawful Attorney(s)-in-Fact, with full power and authority, for and on behalf of the Company as surety, to execute and deliver and affix the seal of the Company thereto, if a seal is required, bonds, undertakings, recognizances or other written obligations in the nature thereof, as follows:

Any and all bonds, undertakings, recognizances or other written obligations in the nature thereof not exceeding in amount Two Hundred and Fifty Thousand Dollars (\$250,000) in any single instance

and to bind THE TRAVELERS INDEMNITY COMPANY thereby, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This appointment is made under and by authority of the following by-laws of the Company which by-laws are now in full force and effect:

ARTICLE IV, SECTION 10. The President, the Chairman of the Finance Committee, the Chairman of the Insurance Executive Committee, any Vice President, any Secretary or any Department Secretary may appoint attorneys-in-fact or agents with power and authority, as defined or limited in their respective powers of attorney, for and on behalf of the Company to execute and deliver, and affix the seal of the Company thereto, bonds, undertakings, recognizances or other written obligations in the nature thereof and any of said officers may remove any such attorney-in-fact or agent and revoke the power and authority given to him.

ARTICLE IV, SECTION 12. Any bond, undertaking, recognizance or written obligation in the nature thereof shall be valid and binding upon the Company when signed by the President, the Chairman of the Finance Committee, the Chairman of the Insurance Executive Committee, or any Vice President and duly attested and sealed, if a seal is required, by any Secretary or any Department Secretary or any Assistant Secretary, or when signed by the President, the Chairman of the Finance Committee, the Chairman of the Insurance Executive Committee, or any Vice President and countersigned and sealed, if a seal is required, by a duly authorized attorney-in-fact or agent; and any such bond, undertaking, recognizance or written obligation in the nature thereof shall be valid and binding upon the Company when duly executed and sealed, if a seal is required, by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority granted by his or their power or powers of attorney.

This power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Directors of THE TRAVELERS INDEMNITY COMPANY at a meeting duly called and held on the 30th day of November, 1959:

VOTED: That the signature of any officer authorized by the By-Laws and the Company seal may be affixed by facsimile to any power of attorney or special power of attorney or certification of either given for the execution of any bond, undertaking, recognizance or other written obligation in the nature thereof; such signature and seal, when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

This power of attorney revokes that dated January 21, 1960 on behalf of Raymond L. Kysar, Jr.

IN WITNESS WHEREOF, THE TRAVELERS INDEMNITY COMPANY has caused these presents to be signed by its proper officer and its corporate seal to be hereunto affixed this 3rd day of December 1962.



THE TRAVELERS INDEMNITY COMPANY

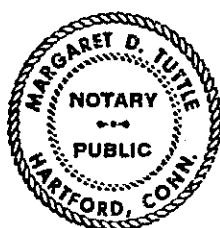
By

R. W. Kamman

Secretary, Fidelity and Surety

State of Connecticut, County of Hartford—ss:

On this 3rd day of December in the year 1962 before me personally came R. W. Kamman to me known, who, being by me duly sworn, did depose and say: that he resides in the State of Connecticut; that he is Secretary (Fidelity and Surety) of THE TRAVELERS INDEMNITY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of his office under the by-laws of said corporation, and that he signed his name thereto by like authority.



RECEIVED

NOV 20 1970

020 CONS. COMM.

Margaret D. Little

Notary Public

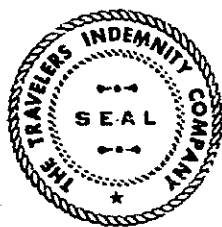
My commission expires April 1, 1964


CERTIFICATION

I, W. A. Person, Assistant Secretary (Fidelity and Surety) of THE TRAVELERS INDEMNITY COMPANY certify that the foregoing power of attorney, the above quoted Sections 10 and 12 of Article IV of the By-Laws and the Resolution of the Board of Directors of November 30, 1959 have not been modified or revoked and are now in full force and effect.

Signed and Sealed at Hartford, Connecticut, this

19th day of November 1970 .




Assistant Secretary, Fidelity and Surety

Complete Insurance Service



. Specializing In Contract Bonds

2604 E. MAIN - P. O. BOX 295
FARMINGTON, NEW MEXICO
87401

AC 505-325-4561

December 11, 1970

Mr. W.E. Allen, Director
Enforcement Section
Oil and Gas Conservation Commission
4515 North 7th Ave.
Phoenix, Arizona 85013

RE: AAA FISHING TOOL CO., INC. Bond # 1673700

Dear Bill:

Enclosed find Consent of Surety as requested in your letter of
November 23, 1970.

You need to number ~~the~~ bond that you are now holding with the
Travelers Indemnity with the above captioned number.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'Ray', is written over the typed name.

Raymond L. Kysar, Jr.

RLK/mjg
encl:

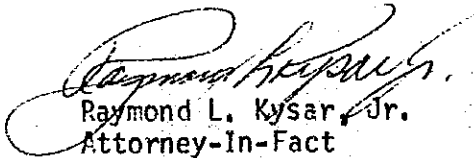
RECEIVED
DEC 14 1970
O & G CONS. COMM.

CONSENT OF SURETY

AAA FISHING TOOL CO., INC.
E/2 NE/4 SECTION 9, TOWNSHIP 41 NORTH, RANGE 28 EAST (PERMIT 483)
E/2 SE/4 SECTION 5, TOWNSHIP 41 NORTH, RANGE 28 EAST (PERMIT 508)
E/2 NW/4 SECTION 9, TOWNSHIP 41 NORTH, RANGE 28 EAST (PERMIT 509)
NW/4 NE/4 SECTION 41, TOWNSHIP 41 NORTH, RANGE 28 EAST (PERMIT 511).

This will confirm that the Travelers Indemnity Insurance Company
considers the above captioned wells to be included under and
covered by Bond Number 167300.

Yours truly,


Raymond L. Kysar, Jr.
Attorney-In-Fact
Travelers Indemnity Co.

:jm

RECEIVED

DEC 14 1970

O & G CONS. COMM.

The Travelers Indemnity Company
Hartford, Connecticut

(A STOCK COMPANY)

CHANGE OF NAME RIDER

To be attached to and form a part of Statewide Blanket Plugging
Bond Number 1673700 dated the 19th day of November 19 70 ,
on behalf of AAA Fishing Tool Co., Inc.
issued by THE TRAVELERS INDEMNITY COMPANY, Hartford, Connecticut in
favor of the State of Arizona

It is hereby agreed that as of the effective date 8-22-72 ,
the bond is amended in the following particulars:

THE TRAVELERS INDEMNITY COMPANY consents to the change of the Name of the
Principal

FROM: AAA Fishing Tool Co., Inc.

TO: Ari-Mex Oil & Exploration, Inc.
P. O. Box 1228
Long Beach, California 90801

Provided, however, that the liability of THE TRAVELERS INDEMNITY COMPANY
under the bond and under the bond as amended by this endorsement shall not
be cumulative.

Signed, Sealed and Dated this 22nd day of August 19 72 .

RECEIVED

AUG 28 1972

O & G CONS. COMM.

THE TRAVELERS INDEMNITY COMPANY

BY:

Robert J. Sunich
Robert J. Sunich,
Attorney-in-Fact

The Travelers Indemnity Company
Hartford, Connecticut

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That THE TRAVELERS INDEMNITY COMPANY, a corporation of the State of Connecticut, does hereby make, constitute and appoint

____ Gary F. Chinn, L. M. DeHaven, Gary R. Hanson, Herbert J. Harris, M. J. Saucier, E. K. Smith, Robert J. Sunich, all of Denver, Colorado, EACH _____

its true and lawful Attorney(s)-in-Fact, with full power and authority, for and on behalf of the Company as surety, to execute and deliver and affix the seal of the Company thereto, if a seal is required, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof, as follows:

____ Any and all bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof _____

and to bind THE TRAVELERS INDEMNITY COMPANY thereby, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This appointment is made under and by authority of the following by-laws of the Company which by-laws are now in full force and effect:

ARTICLE IV, SECTION 13. The Chairman of the Board, the President, the Chairman of the Finance Committee, the Chairman of the Insurance Executive Committee, any Senior Vice President, any Vice President, any Second Vice President, any Secretary or any Department Secretary may appoint attorneys-in-fact or agents with power and authority, as defined or limited in their respective powers of attorney, for and on behalf of the Company to execute and deliver, and affix the seal of the Company thereto, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof and any of said officers may remove any such attorney-in-fact or agent and revoke the power and authority given to him.

ARTICLE IV, SECTION 15. Any bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when signed by the Chairman of the Board, the President, the Chairman of the Finance Committee, the Chairman of the Insurance Executive Committee, any Senior Vice President, any Vice President or any Second Vice President and duly attested and sealed, if a seal is required, by any Secretary or any Department Secretary or any Assistant Secretary or when signed by the Chairman of the Board, the President, the Chairman of the Finance Committee, the Chairman of the Insurance Executive Committee, any Senior Vice President, any Vice President or any Second Vice President and countersigned and sealed, if a seal is required, by a duly authorized attorney-in-fact or agent; and any such bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when duly executed and sealed, if a seal is required, by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority granted by his or their power or powers of attorney.

This power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Directors of THE TRAVELERS INDEMNITY COMPANY at a meeting duly called and held on the 30th day of November, 1959:

VOTED: That the signature of any officer authorized by the By-Laws and the Company seal may be affixed by facsimile to any power of attorney or special power of attorney or certification of either given for the execution of any bond, undertaking, recognizance or other written obligation in the nature thereof; such signature and seal, when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

____ This power of attorney revokes that dated March 12, 1970 on behalf of Gary F. Chinn, L. M. DeHaven, Gary R. Hanson, Herbert J. Harris, M. J. Saucier, E. K. Smith _____

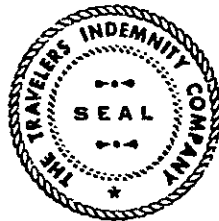
IN WITNESS WHEREOF, THE TRAVELERS INDEMNITY COMPANY has caused these presents to be signed by its proper officer and its corporate seal to be hereunto affixed this 13th day of April 19 71.

THE TRAVELERS INDEMNITY COMPANY

By

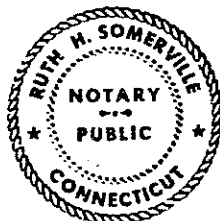
E. A. Houser III

Secretary, Surety



State of Connecticut, County of Hartford—ss:

On this 13th day of April in the year 1971 before me personally came E. A. Houser III to me known, who, being by me duly sworn, did depose and say: that he resides in the State of Connecticut; that he is Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of his office under the by-laws of said corporation, and that he signed his name thereto by like authority.



Ruth H. Somerville

Notary Public

My commission expires

April 1, 1974

(Over)

CERTIFICATION

I, D. J. Nash, Assistant Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY certify that the foregoing power of attorney, the above quoted Sections 13. and 15. of Article IV of the By-Laws and the Resolution of the Board of Directors of November 30, 1959 have not been abridged or revoked and are now in full force and effect.

Signed and Sealed at Hartford, Connecticut, this 22nd day of August 19 72.

RECEIVED

AUG 28 1972

O & G CONS. COMM.



Assistant Secretary, Surety

S-1869 (BACK)



THE TRAVELERS

Surety Department
E. A. Houser, III, Manager

RECEIVED

FEB 14 1978

O & G CONS. COMM.

February 9, 1978

State of Arizona
Oil & Gas Commission
Phoenix, AZ 85007

RE: Ari-Mex Oil & Exploration, Inc.
Bond # 1673700 (Computer #108B1202)
Gentlemen:

Our company executed a \$25,000.00 Statewide Blanket Plugging Bond
(Amount) (Type)
effective 11-19-71 for the above captioned.

In accordance with the terms of the bond, this letter will serve as our Notice of Cancellation and termination from all further liability effective 11-19-77. We would appreciate your sending us a letter verifying the date on which cancellation becomes effective. A self-addressed, postage free envelope is enclosed for your convenience in replying.

Thank you.

Lari Shary

Very truly yours,

SURETY DIVISION

ls

sp

October 31, 1975

Mr. B. J. Baggett
Ari-Mex Oil & Exploration
150 Petroleum Plaza
Farmington, New Mexico 87401

RE: Ari-Mex Navajo #E-1
NW/NE Sec 9-T1N-R28E
Apache Co., Permit #511

Ari-Mex Navajo #E-4
NE/NW Sec 9-T41N-R28E
Apache Co., Permit #509

Ari-Mex Navajo #E-3
NE/NE Sec 9-T1N-R28E
Apache Co., Permit #483

Dear Mr. Baggett:

Approximately one year ago, You indicated to us that you were planning to plug the above referenced wells.

Upon recent inspection, it was disclosed that these wells had not been plugged. Some of the equipment had been removed, however the anticipated plugging had not been done.

Will you please inform this office at your earliest convenience of your plans for plugging these wells and when you anticipate this job to be completed.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/sl

CC: Mr. I. D. Nightingale

December 9, 1974

Ms. Susan Perry
Travelers Ins. Company
Cherry Creek Center
101 University Boulevard
Denver, Colorado 80206

Re: Ari-Mex Oil and Exploration Inc.
Bond No. 108B1202

Dear Ms. Perry:

Your notification advising this Commission that you were cancelling the above referenced bond effective December 3, 1974, has been received. Please be advised that the liability under this bond may not be terminated without approval of the Commission. Approval to cancel bonds are granted by this Commission only after the operator is in full compliance with the Commission's rules and regulations.

The wells operated by Ari-Mex in the State of Arizona, as of this time, have not been plugged and abandoned. Therefore, the above referenced bond will remain in full force and effect until such time as Ari-Mex is in complete compliance with all the rules and regulations of the Oil and Gas Conservation Commission, State of Arizona.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b

511 483 509



THE TRAVELERS

Surety Department
E. A. Houser, III, Manager

December 3, 1974

State of Arizona
Oil & Gas Commission
Phoenix, Arizona
85000

RE: Ari-Max Oil & Exploration, Inc.
Bond No. #108B1202
Gentlemen:

Our company executed a \$25,000.00, Statewide Blanket Plugging Bond
(Amount) (Type)
effective 11-19-70 for the above captioned.

In accordance with the terms of the bond, this letter will serve as our Notice of Cancellation and termination from all further liability effective 12-03-74. We would appreciate your sending us a letter verifying the date on which cancellation becomes effective. A self-addressed, postage free envelope is enclosed for your convenience in replying.

Thank you.

Susan Barry (ba)
Very truly yours,

SURETY DIVISION

sp

RECEIVED

DEC 03 1974

036 000 000

November 26, 1974

Mr. B. J. Baggett
Ari-Mex Oil & Exploration
150 Petroleum Plaza
Farmington, New Mexico 87401

Re: Ari-Mex Navajo #E-1	Ari-Mex Navajo #E-4	Ari-Mex Navajo #E-3
NW/NE Sec 9-T41N-R28E	NE/NW Sec 9-T41N-R28E	NE/NE Sec 9-T41N-R28E
Apache Co., Permit #511	Apache Co., Permit #509	Apache Co., Permit #483

Dear Mr. Baggett:

On November 4, we wrote you to inquire if you had completed the plugging of the above referenced wells. To date we have received no reply. Will you please advise this Commission when you plan to commence plugging operations on the subject wells. When the plugging has been completed, it will be necessary that you submit Form 10, Plugging Report, to this Commission.

You are aware that a portion of a logging tool containing a radioactive substance was lost in the Navajo #E-4 well, state permit number 509. This radioactive source was allowed to remain in the well. When you have the dry hole marker made for this well, please affix a permanent notice to your marker informing any interested parties that the hole contains a radioactive substance.

An early response to the above requested information is expected.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

Encs.

November 4, 1974

Mr. B. J. Baggett
Ari-Mex Oil & Exploration
150 Petroleum Plaza
Farmington, New Mexico 87401

Re: Ari-Mex Navajo #E-1	Ari-Mex Navajo #E-4	Ari-Mex Navajo #E-3
NW/NE Sec 9-T41N-R28E	NE/NW Sec 9-T41N-R28E	NE/NE Sec 9-T41N-R28E
Apache Co., Permit #511	Apache Co., Permit #509	Apache Co., Permit #483

Dear Mr. Baggett:

Your application to plug the above referenced wells was received on September 13, 1974. Please advise if this work has been performed, and if not, when you expect to complete the plugging of these wells.

When the plugging has been completed, it will be necessary that you submit Form 10, Plugging Report, to this Commission.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rib

Enc.

WJA
LAW OFFICES
BAGGETT & BAGGETT

B. J. BAGGETT
MARVIN BAGGETT

150 PETROLEUM PLAZA
FARMINGTON, NEW MEXICO 87401
TELEPHONE (505) 327-9634 OR (505) 325-1625

September 10, 1974

Oil & Gas Conservation Committee
4715 N 7th Ave.
Phoenix, Arizona 85013

Attention: Bill Allen

Dear Mr. Allen:

Please find enclosed copies in triplicate of the proposed plans for plugging wells E-1, E-3 and E-4 of the West Boundary Butte property.

Sincerely,

BAGGETT & BAGGETT

By *B. J. Baggett*

/lf

Encs.

RECEIVED

SEP 13 1974

O & G CONS. COMM.

August 6, 1974

Mr. Ewell N. Walsh
Ari-Mex Oil & Exploration
C/O Walsh Engineering & Production
P. O. Box 254
Farmington, New Mexico 87401

Re: Navajo "E" Lease Battery

Dear Red:

We recently had occasion to inspect the installations in the East Boundary Butte area. As you probably know, the salt water pit serving your battery on this lease is discharging salt water into the country side. This pit was not running over, but the water was being discharged through an overflow pipe. Please see that this condition is corrected.

We would also suggest that because of the fire hazard and hazards to personnel that a clean up of this location be undertaken.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

571

WH
ENGINEERING & PRODUCTION SERVICE, INC.

P. O. BOX 190 — PH. 325-1924

FARMINGTON, NEW MEXICO 87401

February 15, 1974

Oil & Gas Conservation Commission
State of Arizona
4514 North 7th Avenue
Phoenix, Arizona 85013

Att: Mr. W. E. Allen

Re: Operations & Reports
Ari-Mex Oil & Exploration, Inc.
Navajo "E" Lease
Apache County, Arizona

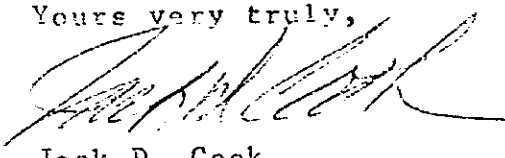
Dear Mr. Allen:

Please be advised that Engineering & Production Service, Inc. is no longer associated with Ari-Mex Oil & Exploration, Inc. in any capacity, effective February 1, 1974. Any matters regarding Ari-Mex's Navajo "E" lease, Apache County, Arizona, should be directed to Mr. I. D. Nightingale, P. O. Box 749, Moab, Utah, 84532. (801) 259-7161

Enclosed please find January monthly reports which will be the final reports filed by Engineering & Production Service, Inc. relative to the Navajo "E" lease.

Should you have any questions concerning this matter, please advise.

Yours very truly,


Jack D. Cock

JDC/ig

RECEIVED

226-1111-1000

511



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

February 13, 1974

Mr. Ewell N. Walsh, P.E.
Walsh Engineering & Production
P. O. Box 254
Farmington, New Mexico 87401

Dear Red:

We are enclosing the forms that you have requested. Since you are familiar with our rules and regulations, I won't dwell to any great extent on these. Also, we are enclosing a current copy of our rules.

Form 16, Monthly Producers Report, is due to reach this office by the 25th of the month following the month of production. We also accept this form for your reported gas production. Form 20 is not required except on a new producer or on a well that has been workedover and recompleted as a gas well. We do require a semi-annual gas oil ratio test, we are enclosing a supply of these forms.

I talked with Jack Cook this morning and I am assuming that you are going to operate Ari-Mex production in the Boundary Butte area. A good engineer, like yourself, should be able to increase the production on these leases; we hope so--Arizona needs it!

If we can be of any help whatsoever, please let us know.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b

Encs.

511



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

September 18, 1973

Mr. Jack D. Cook
Ari-Mex Oil & Exploration, Inc.
P. O. Box 190
Farmington, New Mexico 87401

Dear Mr. Cook:

Will you please supply this Commission with any information that you might have regarding the recoverable reserves in the East Boundary Butte Field for your Navajo #E-1 (oil), Globe Navajo #E-3 (483) and Globe Navajo #E-4 (509)?

This information will be considered confidential if you so desire.

Thank you for your cooperation.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

September 19, 1972

Mr. C. E. McClelland
P. O. Box 1281
Farmington, New Mexico 87401

Re: Travelers Indemnity Company Bond No. 1673700

Dear Blackie:

Travelers Indemnity Company has agreed to transfer the responsibility under this Bond from AAA Fishing Tool Company to Ari-Mex Oil and Exploration.

Since you and AAA have complied with all the rules and regulations of this Commission, this letter will serve as notification of your release from any further obligation to this Commission under the above referenced Bond.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

September 19, 1972

Mr. Jack D. Cook
Ari-Mex Oil and Exploration, Inc.
P. O. Box 190
Farmington, New Mexico 87401

Dear Mr. Cook:

Since Travelers Insurance Company has agreed to transfer the responsibility under their Bond from AAA Fishing Tool Company, Inc., to Ari-Mex Oil and Exploration, Inc., it will be necessary that this Commission be furnished a copy of your current Organization Report.

We would appreciate receiving this report at your earliest convenience.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b

Encs.

BAGGETT AND BAGGETT, LTD.
ATTORNEYS AT LAW
150 PETROLEUM PLAZA BUILDING
FARMINGTON, NEW MEXICO 87401

B. J. BAGGETT
MARVIN BAGGETT

AREA CODE 505
PHONE 327-0634
327-0635
328-1625

June 9, 1972

Oil & Gas Conservation Commission
of the State of Arizona
State Capitol
Phoenix, Arizona

In Re: Ari-Mex Oil &
Exploration, Inc.

Gentlemen:

Please find enclosed two copies of the Designation
of Operator dated the 26th day of May, 1972 by
W. E. Durkee, President.

Sincerely,

BAGGETT & BAGGETT

BY

Marvin Baggett

Enclosures
BIB:vw

The attached Designation of Operator does not transfer responsibility from
AAA Fishing Tool Company to Ari-MEX Oil and Exploration, the named operator
on the subject Designation of Operator.

See letter 9-19-72

RECEIVED

JUN 13 1972

O & G CONS. COMM.

511

DESIGNATION OF OPERATOR

The undersigned is the record holder of Lease:
(Number or name of lease and description of entire lease acreage)
#E-4 Navajo (597-a) NE, NW, Sec 9, T41N, R28E, Apache County, Arizona;
#E-3 Navajo, NE/NE Sec 9, T41N, R28E, Apache County, Arizona

and hereby designates

Name: ARI-MEX Oil & Exploration, Inc.

Address: P. O. Box 1228, Long Beach, California 90801

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and all regulations, whether Federal, Indian, State, or local, applicable thereto and on whom may be served written or oral instructions in securing compliance with all the applicable lease terms, and rules and regulations of the Oil and Gas Conservation Commission, State of Arizona, with respect to:

(Describe only the acreage to which this designation applies)
E-4 Navajo (597-A) NE/NW, Sec 9, T41N, R28E, Apache County, Arizona
E-3 Navajo NE/NE, Sec 9, T41N, R28E, Apache County, Arizona

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and with all the applicable rules and regulations of the Oil and Gas Conservation Commission, State of Arizona. It is understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the record holder of the lease remains primarily responsible for and will make full and prompt compliance with all applicable lease terms, the rules and regulations of the Oil and Gas Conservation Commission, State of Arizona, or orders of other appropriate regulatory governmental agencies.

The lessee agrees promptly to notify all proper authorities and appropriate regulatory governmental agencies on any change in the designated operator.

The designated operator agrees to promptly notify all proper authorities of any change of his address during the period in which this designation of operator is in force.

May 26, 1972

(Date)

ARI-MEX Oil & Exploration, Inc.

By: [Signature] President

Designated Operator

(Date)

(If this Designation of Operator applies to a State of Arizona Oil and Gas Lease, copy of this designation of operator must be filed with the State Land Department.)

RECEIVED

JUN 13 1972

O & G CONS. COMM.



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

May 18, 1972

Mr. C. E. McClelland
AAA Fishing Tool Company
P. O. Box 1281
Farmington, New Mexico 87401

RE: AAA Fishing Tool #E-1 Navajo (597)
NW/NE Section 9-T41N-R28E
Apache County
Our File #511

Globe Minerals #E-4 Navajo (597-A)
NE/NW Section 9-T41N-R28E
Apache County
Our File #509

Globe Minerals (AAA #E3 Navajo)
NE/NE Section 9-T41N-R28E
Apache County
Our File #483

Dear Blackie:

It is our understanding that you have assigned your interest in the above referenced wells and the leases on which these wells are situated to Air-Mex Oil and Exploration, Inc. This letter is to advise you that until such time as this Commission receives official notification of this transfer of interest and Air-Mex furnishes a bond acceptable to the Commission to cover their operations within the State of Arizona, this Commission will of necessity continue to hold AAA Fishing Tool Company and you as principal, legally responsible for all operations conducted on these leases.

A properly executed Designation of Operator will satisfy the Commission regarding the change of operators, however, until such time as the new operator furnishes a bond acceptable to the Commission, your Bond No. 1673700 in the amount of \$25,000, will remain in full force and effect. Please advise us of your proposed course of action.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

Encs.



Oil and Gas Conservation Commission

STATE OF ARIZONA
4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

July 26, 1971

Mr. C. E. McClelland
AAA Fishing Tool Company
P. O. Box 1281
Farmington, New Mexico 87401

Re: AAA Fishing Tool #E-2 Humble Navajo
SW/4 NE/4 Sec. 9-T41N-R28E
Apache County
Our File #444

Dear Blackie:

Please refer to our letter of June 22, 1971. As yet, we have not received Form 14, Report of Injection Project, concerning the amount of water injected into the above referenced well. It would be appreciated if you would give this matter your immediate attention.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA:jd

KEYEAT WIPERS
MAGNETIC BASKETS
SQUARE DRILL COLLARS
MILLS

PHONE: 325-4410
2405 EAST MAIN
FARMINGTON, NEW MEXICO
87401

A. A. A. Fishing Tool Co., Inc.

June 29, 1971

Mr. W.E. Allen Director
Enforcement Section
Oil & Gas Conservation Commission
State of Arizona
4515 North 7th Ave.
Phoenix, Arizona 85013

Dear Mr. Allen:

The barrels of water produced do not necessarily
equal the barrels of water injected.

Sincerely yours
A.A.A. Fishing Tool Co., Inc.

C.E. McClelland
C.E. McClelland

RECEIVED

JUL 2 1971

O & G CONS. COMM.

June 22, 1971

Mr. C. E. McClelland
AAA Fishing Tool Company
P. O. Box 1281
Farmington, New Mexico 87401

Re: Water Injection Reports

Dear Blackie:

Your Monthly Producers Report for the month of May indicates that your wells produced 12,000 barrels of water during this period. Merrion and Bayless's Water Injection Report which has been carrying your injected water indicates that you injected 19,245 barrels of water for this same period. Please advise immediately the reason for this discrepancy; and, if there is an error in your Producers Report, please submit a corrected report.

In the future please file Form 14, Report of Injection Project, with this Commission on a monthly basis. This report is due on or before the 20th of each month. Thank you for your cooperation.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA:jd
Enc.

571

Redi-Memo
3 PART

RN
Since
1878

THE ROUGH NOTES CO., Inc.
Indianapolis 46206
Printed in U. S. A.

RNC Forms
DO NOT USE CARBON

REFER TO THIS NUMBER
WHEN YOU REORDER
09060

To

Mr. W.E. Allen, Director
Oil & Gas Conservation Commission
State of Arizona
4515 North 7th Ave., Phoenix, Ariz.

Redi-Memo

Kysar Insurance Agency, Inc.

ALL LINES OF INSURANCE

2604 E. Main

P. O. Box 295

325-4561

FARMINGTON, NEW MEXICO 87401

REGARDING: AAA Fishing Tool Company

DATE: 12/22/70

Dear Bill:

Sorry for the error in the bond numbers but the correct number is 1673700.

Mary Jane Gould
Mary Jane Gould

RECEIVED

DEC 28 1970

O & G CONS. COMM.

509
511
483

December 18, 1970

Mr. Raymond L. Kysar, Jr.
Kysar Insurance Agency, Incorporated
2604 East Main
P. O. Box 295
Farmington, New Mexico 87401

Re: AAA Fishing Tool Company, Incorporated
Bond

Dear Ray:

Enclosed please find a copy of your letter and Consent of Surety mailed to this office on December 11, 1970. After checking the letter and the Consent of Surety we note that they each bear a different bond number. In order that we may have the correct number in our file please let us know which of these numbers has been assigned to AAA Fishing Tool's bond.

Thank you for your cooperation.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA:jd
Enc.

511

December 15, 1970

Mr. J. M. Susman
Bond Department
Planet Insurance Company
P. O. Box 2567
San Francisco, California 94126

Re: AAA Fishing Tool #E-1 Navajo 597
NW/4 NE/4 Section 9-T41N-R28E
Apache County
Our File #511

Bond Serial No. P2 03 62 68
AAA Fishing Tool Co., Inc.
County of San Juan
State of New Mexico

Dear Mr. Susman:

Records of this office indicate that on 12-15-70 AAA Fishing Tool Company, Incorporated, fulfilled their obligations to the State of Arizona as to the requirements pertaining to the captioned well. We authorize termination of the subject bond effecton this date.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA:jld
cc: AAA Fishing Tool, Farmington, New Mexico



**PLANET
INSURANCE
COMPANY**

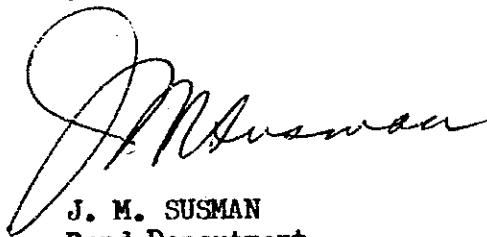
320 CALIFORNIA STREET • P.O. BOX 2567 • SAN FRANCISCO, CALIFORNIA 94126 • TELEPHONE: (415) 981-7600

December 8, 1970

State of Arizona
Oil & Gas Conservation Commission
Phoenix, Arizona

Bond Serial No. P2 03 62 68
A A A Fishing Tool Co., Inc.
County of San Juan
State of New Mexico

We understand that A A A Fishing Tool Co., Inc. has filed
a \$25,000.00 Blanket Bond written by Travelers Indemnity Company
and that the well covered by this bond is included under the
blanket bond. Would you please confirm that this bond is now
cancelled as to future acts of the principal.


J. M. SUSMAN
Bond Department

Jms

RECEIVED
DEC 11 1970
O & G CONS. COMM.



Operator AAA FISHING TOOL, INCORPORATED

Bond Company Planet Insurance Co. Amount \$5,000

Bond No. 12-03-62-68 Date Approved 2-7-69

Permits covered by this bond:

511

CANCELLED
DATE 12-15-70

PERFORMA BOND

KNOW ALL MEN BY THESE PRESENTS

The premium charged on this bond is \$50.00 being the rate of \$10.00 per thousand of the bond amount.

Bond Serial No. P2-03-62-68

That we: A A A FISHING TOOL CO., INC.,

of the County of San Juan in the State of New Mexico

as principal, and PLANET INSURANCE COMPANY

of A Corporation Organized and Existing Under The Laws of the State of Wisconsin, Having Its Executive Offices at Philadelphia, Pennsylvania

as surety, are held and firmly bound unto the State of Arizona and the Oil and Gas Conservation Commission, hereinafter referred to as the "Commission", in the penal sum of FIVE THOUSAND AND NO/100 DOLLARS lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents.

The conditions of this obligation are that, whereas the above bounden principal proposes to drill a well or wells for oil, gas or stratigraphic purposes in and upon the following described land situated within the State, to-wit: Section 9, Township 41N, Range 28E, Apache County, Arizona

(May be used as blanket bond or for single well)

NOW, THEREFORE, if the above bounden principal shall comply with all the provisions of the Laws of this State and the rules, regulations and orders of the Commission, especially with reference to the requirements of A.R.S. § 27-516, providing for the proper drilling, casing and plugging of said well or wells, and filing with the Oil and Gas Conservation Commission all notices and records required by said Commission, then in the event said well or wells do not produce oil or gas in commercial quantities, or cease to produce oil or gas in commercial quantities, this obligation is void; otherwise it shall remain in full force and effect.

Whenever the principal shall be, and declared by the Oil and Gas Conservation Commission in violation of the Laws of this State and the rules, regulations and orders of the Commission, the surety shall promptly:

1. Remedy the violation by its own efforts, or
2. Obtain a bid or bids for submission to the Commission to remedy the violation, and upon determination by the Commission and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Commission, and make available as work progresses sufficient funds to pay the cost of remedying the violation; but not exceeding, including the costs and charges for which the surety may be liable hereunder, the amount set forth in the first paragraph

State of CALIFORNIA }
County of SAN FRANCISCO } SS:

On this 20th day of January in the year one thousand nine hundred and 69, before me, MARCELLA L. VOELKER

County and State, residing therein, duly commissioned and sworn, personally appeared J. M. SUSMAN

, known to me to be the duly authorized Attorney-in-fact of the PLANET INSURANCE COMPANY and the same person whose name is subscribed to the within instrument as the Attorney-in-fact of said Company, and the said J. M. SUSMAN duly acknowledged to me that he subscribed the name of the PLANET INSURANCE COMPANY thereto as Surety and his own name as Attorney-in-fact.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.

My Commission Expires
MARCELLA L. VOELKER
NOTARY PUBLIC-CALIFORNIA
CITY AND COUNTY OF
SAN FRANCISCO
BDP-1410 Ed. Oct 1964
MY COMMISSION EXPIRES DEC. 17, 1972

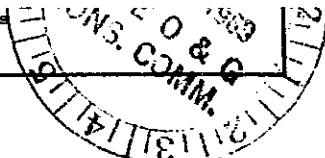
Notary Public in and for SAN FRANCISCO
County, State of CALIFORNIA

By: *John V. Sammsky*

Form No. 2

Permit No. 511

File Two Copies



PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS

Bond Serial No. P2-03-62-68

That we: A A A FISHING TOOL CO., INC.,

of the County of San Juan in the State of New Mexico

as principal, and PLANET INSURANCE COMPANY

of A Corporation Organized and Existing Under The Laws of the State of Wisconsin, Having Its Executive Offices at Philadelphia, Pennsylvania AUTHORIZED TO DO BUSINESS WITHIN the State of Arizona.

as surety, are held and firmly bound unto the State of Arizona and the Oil and Gas Conservation Commission, hereinafter referred to as the "Commission", in the penal sum of FIVE THOUSAND AND NO/100 DOLLARS lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents.

The conditions of this obligation are that, whereas the above bounden principal proposes to drill a well or wells for oil, gas or stratigraphic purposes in and upon the following described land situated within the State, to-wit: Section 9, Township 41N, Range 28E, Apache County, Arizona

(May be used as blanket bond or for single well)

NOW, THEREFORE, if the above bounden principal shall comply with all the provisions of the Laws of this State and the rules, regulations and orders of the Commission, especially with reference to the requirements of A.R.S. §27-516, providing for the proper drilling, casing and plugging of said well or wells, and filing with the Oil and Gas Conservation Commission all notices and records required by said Commission, then in the event said well or wells do not produce oil or gas in commercial quantities, or cease to produce oil or gas in commercial quantities, this obligation is void; otherwise it shall remain in full force and effect.

Whenever the principal shall be, and declared by the Oil and Gas Conservation Commission in violation of the Laws of this State and the rules, regulations and orders of the Commission, the surety shall promptly:

1. Remedy the violation by its own efforts, or
2. Obtain a bid or bids for submission to the Commission to remedy the violation, and upon determination by the Commission and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Commission, and make available as work progresses sufficient funds to pay the cost of remedying the violation; but not exceeding, including other costs and damages for which the surety may be liable hereunder, the amount set forth in the first paragraph hereof.

Liability under this bond may not be terminated without written permission of this Commission.

WITNESS our hands and seals, this 20th day of January, 1969

A A A FISHING TOOL CO., INC.

Carl E. McClelland
Principal

WITNESS our hands and seals this 20th day of January, 1969

PLANET INSURANCE COMPANY

BY: J. M. Susman
J. M. Susman, Attorney-in-fact

Countersigned at Phoenix, Arizona
Surety, Resident Arizona Agent
If issued in a state other than Arizona)

(If the principal is a corporation, the bond should be executed by its duly authorized officers, with the seal of the corporation affixed. When principal or surety executes this bond by agent, power of attorney or other evidence of authority must accompany the bond.)

Approved Date

2-7-69

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

By: John Bannister

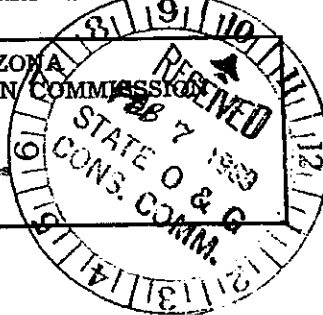
Permit No. 511

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

Bond

File Two Copies

Form No. 2



PLANET INSURANCE COMPANY

EXECUTIVE OFFICES, PHILADELPHIA, PENNSYLVANIA

POWER OF ATTORNEY

Know all men by these Presents, That the PLANET INSURANCE COMPANY, a corporation duly organized under the laws of the State of Wisconsin, does hereby make, constitute and appoint A. Philip Merrill and J. M. Susman, Individually, San Francisco, California,

its true and lawful agent and attorney-in-fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed any and all bonds and undertakings, (except bonds guaranteeing the payment of principal and interest of notes, mortgage bonds and mortgages) in its business of guaranteeing the fidelity of persons holding places of public or private trust, and in the performance of contracts other than insurance policies, and executing and guaranteeing bonds or other undertakings required or permitted in all actions or proceedings, or by law required or permitted.

and to bind the PLANET INSURANCE COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the PLANET INSURANCE COMPANY and sealed and attested by one other of such officers, and hereby ratifies and confirms all that its said Attorney(s)-in-fact may do in pursuance hereof.

This Power of Attorney is granted under and by authority of Article VI of the By-Laws of PLANET INSURANCE COMPANY which became effective April 2, 1963, reading as follows:

ARTICLE VI

Execution of Bonds and Undertakings

SECTION 1. The Board of Directors, the President or any Vice-President or Assistant Vice-President shall have power and authority to: (a) appoint Attorneys-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney-in-Fact at any time and revoke the power and authority given to him.

SECTION 2. Attorneys-in-Fact shall have power and authority, subject to the terms and limitations of the power of attorney issued to them, to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

In Witness Whereof, the PLANET INSURANCE COMPANY has caused these presents to be signed by its Vice-President, and its corporate seal to be hereto affixed.

This 20th day of July 1965.

(SEAL)

PLANET INSURANCE COMPANY

STATE OF PENNSYLVANIA,
COUNTY OF PHILADELPHIA,

On this 20th day of July, A.D. 1965, before the subscriber, a Notary Public of the State of Pennsylvania, in and for the County of Philadelphia, duly commissioned and qualified, came J. H. McDermott, Vice-President of the PLANET INSURANCE COMPANY, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of the same, and, being by me duly sworn, deposed and saith, that he is the officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the corporate seal of said Company, and the said corporate seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said corporation, and that Article VI Section 1 and 2 of the By-Laws of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.

(NOTARIAL SEAL)

/s/ Barbara M. O'Neill

Barbara M. O'Neill

Notary Public

My Commission Expires October 30, 1967

I, Charles A. Simpson, Resident Assistant Secretary of the PLANET INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by said PLANET INSURANCE COMPANY, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 20th day of January, A.D. 1969.



Charles A. Simpson
Charles A. Simpson, Resident Assistant Secretary

(13-A)

BDP-1431 Ed. Aug. 1963 (Cert. General)

Complete Insurance Service



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2604 E. MAIN - P. O. BOX 295
FARMINGTON, NEW MEXICO
87401

AC 505-325-4561

December 11, 1970

Mr. W.E. Allen, Director
Enforcement Section
Oil and Gas Conservation Commission
4515 North 7th Ave.
Phoenix, Arizona 85013

RE: AAA FISHING TOOL CO., INC. Bond # 1673700

Dear Bill:

Enclosed find Consent of Surety as requested in your letter of November 23, 1970.

You need to number the bond that you are now holding with the Travelers Indemnity with the above captioned number.

Very truly yours,


Raymond L. Kysar, Jr.

RIK/mjg
encl:

541
RECEIVED
DEC 14 1970
O & G CONS. COMM.

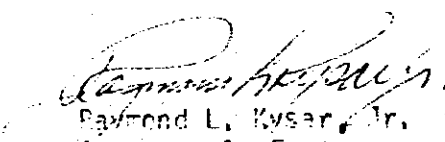
3

CONSENT OF SURETY

AAA FISHING TOOL CO., INC.
E/2 NE/4 SECTION 9, TOWNSHIP 41 NORTH, RANGE 28 EAST (PERMIT 483)
E/2 SE/4 SECTION 5, TOWNSHIP 41 NORTH, RANGE 28 EAST (PERMIT 509)
E/2 NW/4 SECTION 9, TOWNSHIP 41 NORTH, RANGE 28 EAST (PERMIT 509)
NW/4 NE/4 SECTION 41, TOWNSHIP 41 NORTH, RANGE 28 EAST (PERMIT 511)

This will confirm that the Travelers Indemnity Insurance Company
considers the above captioned wells to be included under and
covered by Bond Number 167300.

Yours truly,


Raymond L. Kysar, Jr.
Attorney-in-Fact
Travelers Indemnity Co.

511

RECEIVED

DEC 14 1970

O & G CONS. COMM.

Post Office Box 894
Zip Code 87401

DUGAN PRODUCTION CORP.

THOMAS A. DUGAN, President
709 BLOOMFIELD RD.
FARMINGTON, NEW MEXICO

December 11, 1970

325-0238
TELEPHONE: 325-0238 Office
325-5494 Home
Area Code 505

W.P.

Mr. W. E. Allen
Director, Enforcement Section
Oil and Gas Conservation Commission
4515 North 7th Avenue
Phoenix, Arizona 85013

Dear Mr. Allen:

We have been receiving correspondence for AAA Fishing Tool Co., Inc. Since we no longer send in their reports, would you please address all future correspondence concerning them to:

AAA Fishing Tool Co., Inc.
P. O. Box 1281
Farmington, New Mexico 87401

Sincerely,

DUGAN PRODUCTION CORP.

Shirley Cox

(Mrs.) Shirley Cox

511

RECEIVED

DEC 14 1970

O & G CONS. COMM.

511
483
509
E Boundary
Butte
2/14

December 5, 1970

Mr. C. E. McClelland
AAA Fishing Tool, Incorporated
Box 234
Farmington, New Mexico 87401

Re: Salt Water Seepage
East Boundary Butte Field

Dear Blackie:

On December 1, 1970, I had occasion to visit your leases in the East Boundary Butte Field. There are no signs on your batteries. This is in violation of ARS Section 27-516 Paragraph A-8, a copy of which is enclosed.

Of a much more serious nature is the seepage occurring from several of the pits you are using to contain produced salt water. Since the tank batteries have no identifying signs, I am unable to point out the offending pits, however, they are easily identified. All that is necessary is to drive around the south side of the pits.

The water seeping from these offending pits has traveled several hundred feet from the storage ponds. Stock are much in evidence around these seeps; and, the water is destroying the vegetation.

You are strongly urged to take the necessary measures to inject this produced water into the injection well that you have access to instead of attempting to use these storage ponds. If this is not feasible at this time, we insist that you do whatever is required to the above situation to put a halt to these conditions immediately. See Rule 307 Section A which is enclosed.

511

December 8, 1970
Page 2
Mr. C. E. McClelland

Should you wish to discuss this situation further, feel free
to call me at your convenience.

Very truly yours,

W. E. Allen
Director, Enforcement Section

WEA:jd
Enc.

November 23, 1970

Mr. Raymond I. Kysar, Jr.
Kysar Insurance and Real Estate
West Main
Farmington, New Mexico 87401

Re: State-wide Bond
AAA Fishing Tool Company

Dear Ray:

We are in receipt of a state-wide performance bond in the amount of \$25,000 naming AAA Fishing Tool Company of Farmington as principal and Travelers Indemnity Company as surety. This bond will cover all future operations of AAA within the State of Arizona.

Blackie has requested that his bond in the amount of \$5,000 covering his well drilled in the NW/4 NE/4 Section 41, Township 41 North, Range 28 East (Permit 511) be cancelled. Planet Insurance Company is the surety. He has also requested cancellation on the three bonds naming Globe Minerals Incorporated as principal covering wells drilled in the following locations:

E/2 NE/4 Section 9, Township 41 North, Range 28 East (Permit 483)
E/2 SE/4 Section 5, Township 41 North, Range 28 East (Permit 508)
E/2 NW/4 Section 9, Township 41 North, Range 28 East (Permit 509).

Before we can cancel the above four bonds, we must have written assurance from you, as official representative of Travelers Indemnity Company, that the state-wide bond naming AAA Fishing Tool as principal and Travelers Indemnity as surety will cover the above four wells. This assurance must identify the wells by their legal descriptions as listed above.

511

Page 2
Mr. Raymond L. Kysar, Jr.
November 23, 1970

When you submit the above assurance, we will then be able to cancel the existing bonds.

Will you please supply us with the serial number on this new state-wide bond.

Sincerely,

W. E. Allen
Director, Enforcement Section

WEA:jd
cc: Mr. G. E. McClelland
Farmington, New Mexico

POST OFFICE BOX 234
Zip Code 87401

DUGAN PRODUCTION CORP.

THOMAS A. DUGAN, President

709 BLOOMFIELD RD.
FARMINGTON, NEW MEXICO

March 6, 1970

TELEPHONE: 325-9184 Office
325-5694 Home

Area Code 505

Arizona Oil and Gas Conservation Commission
Attn: Mr. John Bannister
Executive Secretary
Room 202
1624 West Adams
Phoenix, Arizona 85007

Re: AAA Fishing Tool Co., Inc.
Navajo E #1 (597)
NW/4 NE/4 Section 9
T 41 N, R 28 E G&SRM
Apache County, Arizona
Your File No. 511

Dear Mr. Bannister:

Enclosed please find one copy each of the following
Schlumberger logs:

1. Dual Induction-Laterolog
2. Gamma Ray-Caliper-Compensated Formation Density log

These surveys are the only logs run on the captioned well.
Please excuse my delay in filing them.

Very truly yours,

DUGAN PRODUCTION CORP.

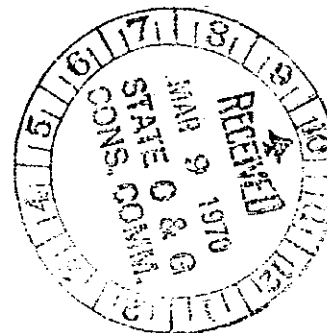
Don W. Mitchell

Don W. Mitchell
Geologist

sc

Enc. 2

CC: AAA



February 25, 1970

Mr. C. E. McClelland
AAA Fishing Tool, Incorporated
Box 234
Farmington, New Mexico 87401

Re: AAA Fishing Tool #E-1 Navajo (397)
NW/4 NE/4 Sec. 9
T41N, R28E, G & SRM
Apache County
Our File #511

Dear Mr. McClelland:

Pursuant to Rule 119.A of this Commission's Rules and Regulations all logs shall be filed within 90 days after the completion of any well drilled. The logs on the captioned well are overdue and we will appreciate receiving them at your earliest convenience.

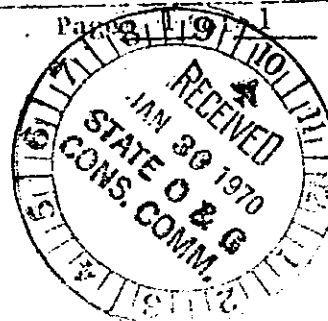
Yours truly,

John Bannister
Executive Secretary

jd

2- State of Ariz. ✓
1- AAA
1- File

STATE OF ARIZONA
DEPARTMENT OF PROPERTY VALUATION
ANNUAL REPORT OF OIL AND GAS PRODUCERS
YEAR ENDED DECEMBER 31, 19 69
(Use Separate Schedule for Each Well)



Producer AAA Fishing Tool Co., Inc.
Address Box 234 Farmington New Mexico
City State
Well Name Navajo #E-1 Field East Boundary Butte
County Apache School District No. Other Districts
Legal Description of Well Location Section 9, T 41 N, R 28 E
700' fnl 1950' fel

PRODUCTION FOR YEAR 19 69

1. Oil and Gas Production	Crude Oil (BBL.)	Natural Gas (MCF)	Helium (Raw Gas) (MCF)	Other Specify And BBL/MCF	Total Gross Yield
2. Cumulative Production for Year	4426	---	---	---	X X X X
3. Total Produced and Saved	4426	---	---	---	X X X X
4. Exempt or Used on Lease (See No. 8 below)	---	---	---	---	X X X X
5. Gross Production (See Definitions)	3873	---	---	---	X X X X
6. Gross Yield (See Definitions)	\$10238.95	\$ ---	\$ ---	\$ ---	\$10238.95
7. Average Price	\$ 2.64	\$ ---	\$ ---	\$ ---	X X X X

8. EXEMPTION AND USE ON LEASE MUST BE EXPLAINED FULLY, and must conform with provisions of Section 42-227.01, Arizona Revised Statutes (See "Gross Production," Part III, Definitions, of this report)

OWNERSHIP
(All Columns MUST BE COMPLETED, including total)

NAME AND ADDRESS	Decimal Interest	Gross Yield
Working Interest AAA Fishing Tool Co., Inc.	.8750%	\$10238.95
Royalty Interest, Including Overriding Royalty (Specify Ownership and Type) U. S. Royalty	.1250%	\$1462.71
TOTAL		\$ 11701.66

2- State of Ariz.
1- AAA
1- File

Page 1 of 1

STATE OF ARIZONA
DEPARTMENT OF PROPERTY VALUATION
ANNUAL REPORT OF OIL AND GAS PRODUCERS
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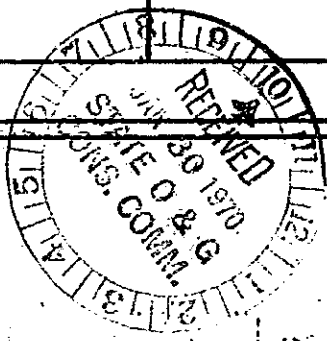
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OWNERSHIP
(All Columns MUST BE COMPLETED, including total)

NAME AND ADDRESS	Decimal Interest	Gross Yield
Working Interest		
AAA Fishing Tool Co., Inc.	.8750%	\$10238.95
Royalty Interest, Including Overriding Royalty (Specify Ownership and Type) U. S. Royalty	.1250%	\$1462.71

TOTAL

\$ 11701.66



X-6hono

October 22, 1969

Mr. C. E. McClelland
AAA Fishing Tool, Incorporated
Box 234
Farmington, New Mexico 87401

Re: AAA Fishing Tool #E-1 Navajo (597)
T41N, R28E, G & SRM
Sec. 9: NW/4 NE/4
Apache County
Permit #511

Dear Mr. McClelland:

Pursuant to our telephone conversation of this date, it is agreeable with the Commission that in running your 5-1/2 inch casing on the subject well it will not be required at this time that cement be run behind the pipe across the Coconino formation; however, it is understood that on plugging the well you will have to perforate opposite the Coconino and squeeze with cement so as to protect this fresh water aquifer.

Kindest regards;

Jim Scurlock
Geologist

JS:jd

511

September 2, 1969

Schreiber Insurance Agency, Inc.
P.O. Box 10
Farmington, New Mexico 87401

Attention: Mr. Frank Hammond

Re: Planet Insurance Company
Bond #P-2-003-62-68
AAA Fishing Tool Company
File 511

Gentlemen:

Reference your letter of August 29, 1969, concerning captioned bond, please be advised that pursuant to our Rule 101 A, AAA Fishing Tool Company may post a \$25,000 bond payable to the Oil and Gas Conservation Commission, State of Arizona, which will satisfy all present and future bonding requirements for this state. Any number of wells may be drilled thereunder.

For your information I am enclosing a copy of the rules and regulations of this Commission and specifically refer you to page 6 and our Rule 101. I am also enclosing three copies of the Commission's bond. This bond may be used either for an individual well or state-wide blanket bond.

If we may be of any other service to you, please do not hesitate to contact us.

Sincerely,

John Banister
Executive Secretary

/vb

Enc.

SCHREIBER INSURANCE AGENCY, Inc.

BOX 10

FARMINGTON, NEW MEXICO

87401

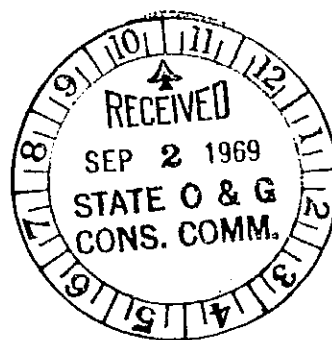
PHONE: 325-1849

PROPERTY INSURANCE

CASUALTY INSURANCE

LIFE INSURANCE

August 29, 1969



Mr. John Bannister
Oil & Gas Conservation Commission
of Arizona
Room 202
1624 West Adams
Phoenix, Arizona 85007

Re: Planet Insurance Company
Bond #P-2-003-62-68
AAA Fishing Tool Company

Dear Mr. Bannister:

Thank you for advising us that Globe Minerals, Inc. has submitted the proper bond to release the AAA Fishing Tool Company from Consent of Surety. Apparently someone in your office notified Mr. C. E. McClelland of AAA Fishing Tool Company that the above captioned bond was good for the drilling of one well only. If a bond in the amount of \$25,000 could be tendered would qualify them to drill wells in the State of Arizona without providing individual bonds. If such arrangement is available please provide us with the necessary information to execute such bond.

Yours very truly,

SCHREIBER INSURANCE AGENCY, INC.

Frank Hammond
Frank Hammond

FH/kb

511

August 26, 1969

Mr. T. A. Dugan
AAA Fishing Tool Company
Box 234
Farmington, New Mexico 87401

Re: AAA Fishing Tool #E-1 Navajo (597)
T41N, R28E, G & SRM
Sec. 9: NW/4 NE/4
Apache County
Permit #511

Planet Ins. Bond
#P2-03-62-68

Dear Mr. Dugan:

Enclosed is the approved Application for Permit to Drill and our Permit To Drill No. 511. Receipt No. 9593 for the \$25 filing fee was enclosed with correspondence of 8-14-69.

Also enclosed is a carbon copy of the letter we sent to the insurance company releasing the Consent of Surety and transferring the bond from Permit #483 to the captioned well, Permit #511.

Yours truly,

John Bannister
Executive Secretary

jf
Enc.

511

X-Childs
X-483
X-511

August 26, 1969

Mr. Frank Schreiber
Schreiber Insurance Agency, Incorporated
P. O. Box 10
Farmington, New Mexico 87401

Re: (AAA Fishing Tool) Globe Minerals #E-3 Navajo
T41N, R28E, G & SRM
Sec. 9: NE/4 NE/4
Apache County, Arizona
Permit #483
Planet Insurance Company Bond No. P2-03-62-68

Dear Mr. Schreiber:

Globe Minerals, Incorporated, has submitted a bond to cover the captioned well; thus, the Consent of Surety and the above listed bond issued by your company are no longer needed to cover this well. This letter constitutes authorization from the Oil & Gas Conservation Commission, State of Arizona, to terminate the Consent of Surety attached to this bond as of 8-26-69.

The operator, AAA Fishing Tool Company, has requested that this bond not be released but be switched to another well in Section 9, T41N, R28E, Apache County. Since this bond covers all of Section 9, T41N, R28E, Apache County, it will cover any one drilling location in that section. As of this date the captioned bond #P2-03-62-68 will cover AAA Fishing Tool #E-1 Navajo (597), Section 9, T41N, R28E, Apache County, Permit #511.

Yours truly,

John Bannister
Executive Secretary

jf
cc: AAA Fishing Tool
cc: Globe Minerals, Incorporated

511

X Chrono
X Lambert
X-512

August 14, 1969

Mr. C. E. McClelland
AAA Fishing Tool, Incorporated
Box 234
Farmington, New Mexico 87401

Dear Mr. McClelland:

The Commission has instructed me to write you to get in the new application covering the AAA Fishing Tool #E-1 Navajo 597 Well. Be sure the new plat is incorporated in that application showing the exact location of this well. It is our understanding that it will be in the NW/4 NE/4 near the south quarter-quarter line.

Receipt #9593 covers the paid fee on this permit. We require a bond. We have not received either bond covering either of the Section 9 locations you are permitting. Neither permit will be issued until we have received the bonds or telegraphic notification from the bonding company that such bonds have been issued.

Our records indicate that we do not have a current Organization Report from you. The one on hand is dated November of 1967. Enclosed are our forms. Please complete and return to this office.

Yours truly,

James A. Lambert
Administrative Assistant
JAL:jf
Enc.

L. Chano
L. Lambert
X-511
X-483

August 7, 1969

Mr. Jim L. Jacobs
AAA Fishing Tool Company
Box 234
Farmington, New Mexico 87401

Re: AAA Fishing Tool #E-1 Navajo 597
T41N, R28E, G & SRM
Sec. 9: NW/4 NE/4
Apache County

AAA Fishing Tool #E-5 Navajo 597
T41N, R28E, G & SRM
Sec. 9: SW/4 NW/4
Apache County

AAA Fishing Tool (Globe Minerals) #E-3 Navajo
T41N, R28E, G & SRM
Sec. 9: NE/4 NE/4
Apache County
Permit #483

Dear Mr. Jacobs:

This Commission requires a bond covering the AAA #E-1 Well and also the AAA #E-5 Well before permits for either of these wells can be issued. Since the AAA #E-5 Well is in the area on which the Hearing on August 13th is to be held, we are holding up the issuance of this permit until the matter of dedication is resolved. Enclosed is the Receipt No. 9594 covering the \$25 filing fee we received for the AAA #E-5 Well this date.

Globe is in the process of supplying this office with a new bond to take the place of AAA Fishing Tool's Bond Number

Page 2
August 7, 1969
Mr. Jim L. Jacobs

P2-03-62-68 which now covers the AAA #E-3 Well, Permit #483.
When we receive their new bond, we will be willing to release
this bond.

We also note that you have set September 1 as the approxi-
mate date that work on the #E-5 Well is to start. We will
issue your permit prior to that date so that work will not
be hindered.

Yours truly,

James A. Lambert
Administrative Assistant

jf
Enc.

X-Chrono
V-Lambert

July 29, 1969

Memo to File 483, ^{suspense} ~~118~~, suspense

From J. A. Lambert

David Conn called me at my residence on 7-28-69, mid-afternoon. This was in response to a letter that I had written to Jacobs and given a copy to Conn. Conn assured me as an officer of the company, that we were to look to Jacobs for fulfillment of all regulations pertaining to the wells. Jacobs acts with the consent and knowledge of the officers of the company.

We have on hand a \$25 check which is meant to be the permit fee for a well to be drilled in the NW/4 NE/4 of Section 5, T41N, R28E. They are sending in all of the material necessary to complete this application. These requirements were enumerated in our letter dated July 24, 1969.

Mr. Conn indicates that he will apply for a state-wide bond, \$25,000, which will allow the other bonds to be released on establishment of that state-wide bond. He indicated that we should have telegraphic notification of this state-wide bond today.

Conn indicated that the lease-hold interest on the Globe Minerals AAA #E-3 well is held by Globe Minerals. The lease number now bears the suffix 597-A indicating an assignment out of AAA into Globe that has been authorized by the Navajo Tribe.

I discussed with him briefly the desire of AAA for an unorthodox well site. He indicated that there was no objection on the part of Globe Minerals. Globe Minerals will be circulated on the Notice for Hearing, however, and will be given the opportunity to lodge official objection or complaint.

The conversation was a pleasant discourse.

suspense
118